

ANNUAL REPORT

NW 402



2010/11

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TLOKWE CITY COUNCIL

CHAPTER 1



INTRODUCTION AND OVERVIEW

CHAPTER 1

1. INTRODUCTION

1.1. FOREWORD OF THE EXECUTIVE MAYOR

Tlokwe City Council continues to remain true to its vision of being a leading, competitive and preferred world class city that provides quality service, meeting the needs of the community in a sustainable manner and upholding good governance.

In this regard, the challenge facing us has been, and will continue to be the maintenance of a balance between the flawless provision of basic services such as water, electricity and refuse removals whilst at the same time undertaking large scale physical infrastructure creation and housing provision so as to extend these services to the multitudes who still have no access to them.

The year 2010 / 2011 was particularly characterized by one of the most contested local government elections in the history of our maturing democracy. Apart from the political contestation that normally accompanies these election campaigns, the process towards the elections also afforded us the opportunity to soberly assess and put into perspective our failures and successes, crystallizing both our challenges and opportunities as a municipality. Some of the challenges that have especially been most clearly crystallized and so much pronounced in the past year has been:

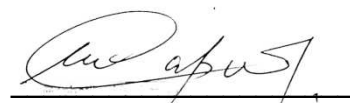
- the creeping urban sprawl and the diminishing land availability for housing,
- the aging electricity grid that acutely needs to keep up with the growth of the city, and
- the solid waste removal that is bound to become an even bigger eyesore if it is not arrested sooner than later.

However, notwithstanding these challenges, we have continued to place high premium in the quality of the services that we render. This is demonstrated by the number and value of the awards we have received in the past year; i.e.:

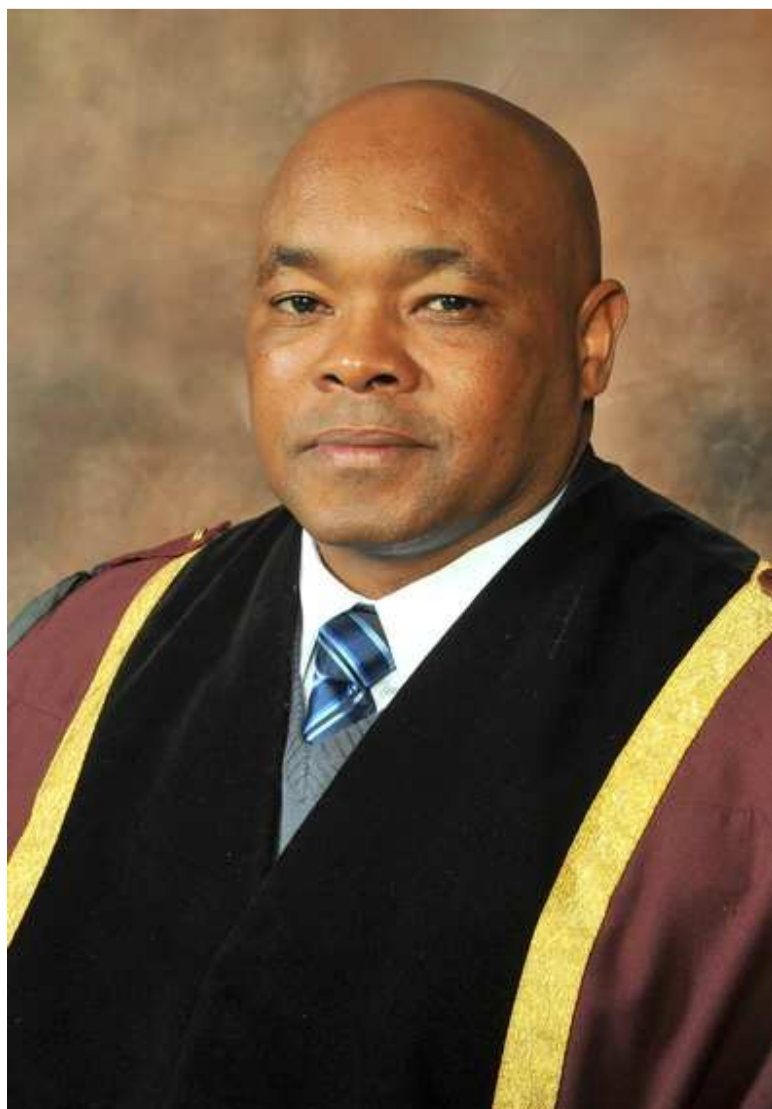
- retaining the blue drop status for third successive year for our water quality management,
- receiving the green drop award for the best managed waste water system in the whole country, as well as
- being voted the third best financially viable municipality in the country by a government agency, Ratings Afrika,.

Another vote of confidence in the manner we deliver services was shown when the Provincial Government invited us to apply for a conditional level one municipal accreditation in housing delivery. We are currently working hard to achieve this status. In the area of housing we have also introduced the solar water heating project as a flagship. This project together with a number of others of a lesser profile, are an indication of our city's commitment to reduce the greenhouse gas footprints.

This report will detail to what extent we have achieved the targets we set for ourselves as well as the standard of our performance as a municipality.



Maphetlhe Maphetlhe
THE EXECUTIVE MAYOR



1.2 STATEMENT OF THE ACCOUNTING OFFICER

Every year the municipality engages in planning, implementation, review and reporting processes under the broad ambit of its Integrated Development Programme (IDP), all with the view of improving service delivery. In all these processes the residents or rate payers are central in this value chain of service delivery and need to be actively involved as their voice is critical.

This report is just another one but important part in the municipal's cycle of service delivery.

It describes in detail the on – going strive to deliver optimal services to all residents in its jurisdiction area. Accordingly, the Performance Report (Section 46 Report) for the financial year 2010 / 11 is hereby tabled.

This past financial year has once again proved to be a time of challenge, opportunity and considerable success in many areas. The Performance Report will reflect on the following:

- the municipality's performance during that financial year;
- the development and service delivery priorities and the performance targets set by the municipality for the following financial year 2011 / 12; as well as
- measures that were or are to be taken to improve performance

One of the issues that apparently underlies and colours the theme of the report is the challenge that is faced by all public institutions, vis-à-vis; doing more with less or meeting all the needs of the communities under the municipal's jurisdiction with limited resources in respect of the available budget, personnel and equipment. In this regard the challenge requires administration to continue doing its best in:

- matching scarce resources to ever growing needs of the communities that are serviced by the municipality,
- balancing the spread of available resources with regard to expanding physical infrastructure to poorly developed sections whilst maintaining the currently existing, and
- improving the quality of the services being provided at the same time.

The municipal's area of jurisdiction has over a number of years been growing without the corresponding proportional allocation in terms of the resources mentioned above.

The municipality will continue to be ceased with these issues with a view to ensuring the betterment of the people it serves. In working towards this, a strong administrative arm is required and it is critical to ensure an efficient and effective administrative support mechanism (especially to leadership and management core).

The municipal organogram is currently being reviewed to improve service delivery and so enable the appointment of key strategic personnel. This is critical in ensuring that efforts are made to attract and retain skilled personnel.


In the next financial year we will continue the work already begun in implementing the personnel policies that are geared to improve the working conditions of our employees. We are aligning these policies and programmes to the IDP. Effective and efficient service delivery relies on the working environment that is stable, disciplined and respected.

With regard to financial management, this municipality is clearly on its irreversible path to fiscal health compared to previous years. For the financial periods prior to 2009/2010 Tlokwe City Council received disclaimer audit opinions – the worst audit opinion that can be expressed.

However in 2009/2010, the Auditor General expressed a qualified audit opinion – an achievement not easily obtained considering that local government has over the last three financial years experienced vast changes in accounting practices and are now preparing financial statements in accordance with the SA standards of Generally Recognized Accounting Practice (GRAP).

The implementation of GRAP has brought about many changes in accounting policies, and has impacted substantially on the treatment and accounting of Assets and the budgeting processes in Council. With the measures put in place as well as the encouraging outcomes that are already visible, we are confident that this municipality is well on its way to having regular clean audits by the targeted year of 2014.

Much of the content will also indicate that a lot of achievements already, especially around the quality of service delivery being provided.


Mr. Sandile. A. Tyatya
MUNICIPAL MANAGER



2. MUNICIPAL DEMOGRAPHIC

Tlokwe City Council is situated in the Dr Kenneth Kaunda District (formerly known as Southern District) area of jurisdiction of the North West Province. The District has an estimate population of 849 992 (compared to 810 151 persons in 2001). The population distribution as per municipality in the area is as follows:

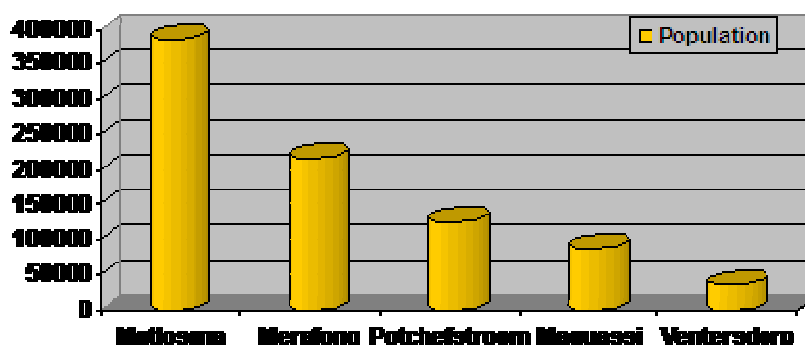


Table: b1

B.2.1. SOCIO ECONOMIC CONDITIONS

The area is characterized by high rate of unemployment. Due to high rate of unemployment, there is a high demand of social grants as a form of poverty alleviation. The area is also characterized by high levels of poverty and food insecurity.

B.2.2. INCOME

According to the Potchefstroom Basic Socio-Economic Survey the following household per income category was reported;

R0-00 to R1 000-00	49%
R1 000-01 to R10 000-00	15%

The following table represents income per gender and age group according to the Potch Basic Socio-economic indicator survey:

Table B2: Income per gender and age group

	10-19	20-29	30-39	40-49	50-59	+60
Male	272	2 138	5 792	5 255	3 100	20 112
Female	340	1 038	2 693	2 070	2 932	11 822
Total	612	3 177	8 484	5 625	6 032	31 932

TABLE B3: The table below indicates geographic age and gender distribution per area

	TOTAL M					TOTAL F						
WARD	0-4	5- 14	15 -34	35 – 64	65>	MALE	0 - 4	5 – 14	15 - 34	35 - 64	65>	FEMALE
1	330	750	2613	1875	264	5831	348	645	1638	1443	237	4313
2	153	510	1272	1053	261	3250	150	365	1071	1224	522	3323
3	81	264	576	564	156	1580	72	231	570	741	225	1835
4	81	243	486	564	180	1553	84	288	267	714	329	1979
5	123	333	672	801	210	2142	165	327	777	984	324	2574
6	156	282	918	663	120	2143	171	288	1128	720	159	2468
7	111	225	945	588	132	2003	96	258	1191	693	237	2474
8	197	408	960	717	87	2367	195	37	966	765	165	2475
9	537	930	1770	1497	132	4864	474	1026	2043	1488	198	5230
10	366	648	1299	963	72	3344	339	612	1398	999	102	3452
11	297	621	1731	1356	183	4191	312	618	1662	1434	297	4326
12	213	399	984	942	108	2644	186	396	1020	786	186	2571
13	177	315	774	618	54	1940	129	333	729	675	78	1944
14	243	567	1269	1053	123	3252	243	546	1257	1104	225	3376
15	207	375	1071	843	99	2595	183	417	945	900	210	2659
16	309	720	1262	1017	72	3385	354	687	1356	1125	126	3649
17	483	849	1521	1089	81	4023	492	852	1767	1221	123	4456
18	291	588	1059	918	60	2953	312	618	1179	888	105	3102
19	-	-	-	-	-	-	-	-	-	-	-	-
20	486	912	2025	1761	177	5357	501	873	1923	1596	195	5086

Each phenomenon as interpreted from the statistics has implication to policy formulation and other strategic decisions and to the budget.

TABLE B4: Statistics South Africa: Descriptive 2007, Population group by Gender for Person weighted, NW402: Potchefstroom Local Municipality

	MALE	FEMALE	TOTAL
Black	44,330	42,152	86,482
Coloured	2,141	1,564	3,705
Indian or Asian	317	156	473
White	16,788	16,903	33,690

Source: Statistics South Africa: Descriptive 2007,
Population group by Gender for Person weighted . NW402: Potchefstroom Local Municipality

TABLE B5: Population and household profile

SERVICE	CENSUS 2001	COMMU SURVEY 2007
Persons	128 353	124 351
Households	32 038	35 524

Source: Community Survey, 2007

The following table represents population distribution according to wards.

At the time of the survey, the municipality had 20 wards, which later changed to 21 wards as a result of the local government election of 2006. With the 2011 local government elections, the number of wards will increase to 26.

TABLE B6: Population distribution according to ward's.

RURAL SETTLEMENT	POPULATION
Ward 1	10144
Ward 2	6573
Ward 3	3415
Ward 4	3523
Ward 5	4716
Ward 6	4611
Ward 7	4477
Ward 8	4842
Ward 9	10094
Ward 10	6796
Ward 11	8517
Ward 12	5215
Ward 13	3884
Ward 14	6628
Ward 15	5254
Ward 16	7034
Ward 17	8479
Ward 18	6055
Ward 19	7646
Ward 20	10443
Ward 21	5352
Total Population	134 698

Source: Potchefstroom Basic Socio Survey (2004)

TABLE B7: Population per average household per ward

RURAL/URBAN SETTLEMENT	AVERAGE PER HOUSEHOLD
Ward 1	4
Ward 2	4
Ward 3	3
Ward 4	3
Ward 5	4
Ward 6	3
Ward 7	3
Ward 8	4
Ward 9	4
Ward 10	5
Ward 11	3
Ward 12	5
Ward 13	3
Ward 14	3
Ward 15	4
Ward 16	4
Ward 17	4
Ward 18	3
Ward 19	3
Ward 20	4
Ward 21	4

Source: Potchefstroom Basic Socio Survey (2004)

B.3 ANALYSIS OF BASIC FACTS AND FIGURES

One can therefore assume an average unemployment rate of 35%. Significant is the fact that the unemployment rate for females (20.4% in the 2004 survey), was almost double that of males (11.2%). The average annual per capita income for Tlokwe City Council in 2001 was R18 697. The average annual per capita income for the richest 20% of South African towns and cities was R25 277 in 2000, with a corresponding figure of R5452.00 for the poorest 20%. In comparison therefore,

Tlokwe City Council appears to be rather well off. However, this belies a highly skewed situation in as far as the distribution and sources of income are concerned.

Economic and Social Indicators

In terms of sectoral employment, the largest sector is government (32%), followed by the trade sector (15%), household sector (13%), the agricultural and manufacturing sectors (10% each) and the financial sector (7%). Therefore, 87% of employment opportunities are

provided by these sectors, with the primary (agricultural) and secondary (manufacturing) sectors contributing 20% and the tertiary and service sectors contributing 67%. Furthermore, the period 1996 to 2001 indicated a decrease in employment in the agricultural and manufacturing sectors, a cyclical but slow decline in the financial and business services sector, while employment trends remained stable in the trade, accommodation and catering sector, and increased in the informal sector.

The unemployment rate in Tlokwe City Council in 2001 was 36.9% while the sample socio-economic survey indicated a rate of 31.59% in April 2004 (NWU, 2004).

2.1 SOCIO-ECONOMIC INDICATORS

Human Development Index

The Human Development Index for Tlokwe City Council is 0,6, indicating that lower life expectancy, income and literacy levels are present in the City Council.

Income Distribution

The table below indicates the distribution of Employment by income group in

TLOKWE CITY COUNCIL

TABLE B8: Distribution of Employment: Percentage by income group

INCOME PER MONTH	NATIONAL FIGURES (%)	% TLOKWE CITY COUNCIL
No income	1.13	0.03
R1 – R400	8.38	0.24
R401 – R800	10.46	0.30
R801 – R1600	32.54	0.94
R1601 – R3200	30.66	0.89
R3201 – R6400	9.45	0.27
R6401 – R12800	5.15	0.15
R12801 – R25600	1.55	0.04
R25601 – R51200	0.37	0.01
R51201 – R102400	0.18	0.01
R102401 – R204800	0.10	0.00
R204801 or more	0.02	0.00
TOTAL	100%	2.89%

Source: Global Insight, 2002

We can deduce from **Table B8** that, as an order of magnitude, at least 50% of households earn R1500 per month or less, and therefore can form part of 'indigent households' (a slight euphemism perhaps for the very poor). Significant in this regard is that this points to a potential increase in the number of registered indigents – approximately 50% of a current estimate of 36 000 urban households compared an actual registered number of approximately 6500 indigents (Annual Report PCC, 2004/2005). Furthermore, estimations are that almost 55% of income comes from sources other than rentals, salaries and wages such as, social grants and pensions, remittances, informal and small businesses. The largest portion hereof can be termed 'survivalist' and grant sources of income.

The following table represents income per gender and age group according to the Potch Basic Socio indicator survey:

TABLE B9: Income per gender and age-group

	10-19	20-29	30-39	40-49	50-59	+60
Male	272	2138	5792	5255	3100	20112
Female	340	1038	2693	2070	2932	11822
Total	612	3177	8484	5625	6032	31932

2.2 SERVICES IN THE AREA

COMMUNITY HEALTH CARE SERVICES AS CLUSTERD (Boiki Tlhapi, Lesego and Top City)

TABLE B10: Ward health facilities

	COMMUNITY/WARDS	NAME OF CLINIC / FACILITY
1	Ward 11 and 8	Boiki Tlhapi Clinic
2	Ward 12 and 8	Boiki Tlhapi Clinic
3	Ward 14	Lesego Clinic
4	Ward 20	Top City Clinic
5	Wad 19	Top City Clinic
6	Ward 17	Top City Clinic
7	Ward 10	Boiki Tlhapi Clinic
8	Ward 13	Boiki Tlhapi Clinic
9	Ward 21	Top City Clinic
10	Ward 16	Top City Clinic

2.3 HEALTH SERVICES PER CLUSTERS / PER WARDS

COMMUNITY HEALTH SERVICES AS CLUSTERS (Promosa, Mohadin, & Steve Tshwete)

TABLE B11: Ward health clusters

	AREAS/WARDS	SUB DISTRICT/CLINIC
1	Ward 13	Promosa clinic
2	Ward 09	Promosa clinic
3	Ward 11	Promosa clinic
4	Ward 9	Promosa clinic
5	Ward 09	Mohadin clinic
6	Ward 10	Mohadin clinic
7	Ward 21 (Extensions)	Steve Tshwete clinic
8	Ward 21 (Farms)	Mobiles
9	Ext 7 Ward 17	Steve Tshwete clinic
10	Ext 6 Ward 20	Steve Tshwete clinic

NB: Mobiles clinics services are provided in most of the wards covering 105 points and 79 routes. There are currently 2 mobiles from the sub district healthy services.

2.4 SOCIAL PATHOLOGIES PREVALENCE

The Local Tlokwe Municipality is characterized by the following social problems;

Substance abuse: People involved in alcohol and drug abuse, are of all walks of life and all ages. Preventative services assisted by TADA and YADA groups, Act 20/92 court cases

High prevalence of HIV / Aids and STD's / Teenage pregnancies

High level of crime committed by children under the age of 18 years and commercial sex workers a result of trucks that passes a N12 route. There are about 8 high transition areas (HTA's) in Potchefstroom city centre that serves as a haven commercial sex practices during weekdays

Domestic violence and child abuse

Most common crimes;

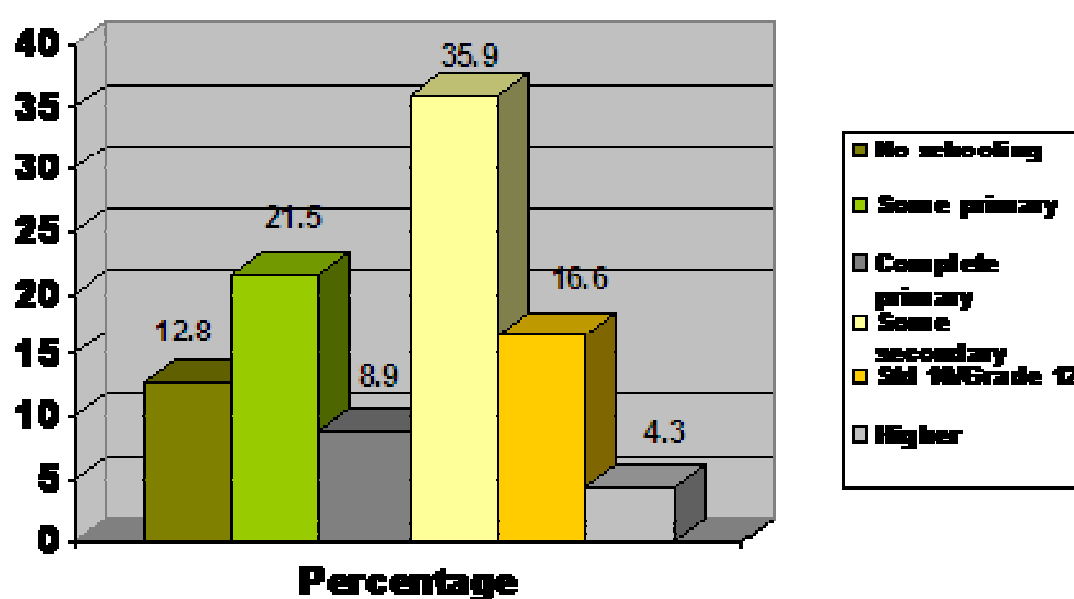
- ✓ Assault and (armed) robbery committed by juveniles as well as adults
- ✓ Domestic violence and child abuse
- ✓ Aggravated by poverty and substance abuse

Development infrastructure remains one of the greatest challenges to make services more accessible to farm areas and informal settlement. There is still a need for facilities/ programmes for youth, people with disabilities, women and children.

2.5. Education and Skills

The table below illustrates the education levels in City Council. Less than 21% of the study area population has a grade 12 or higher education qualification, while 12,8% has no schooling.

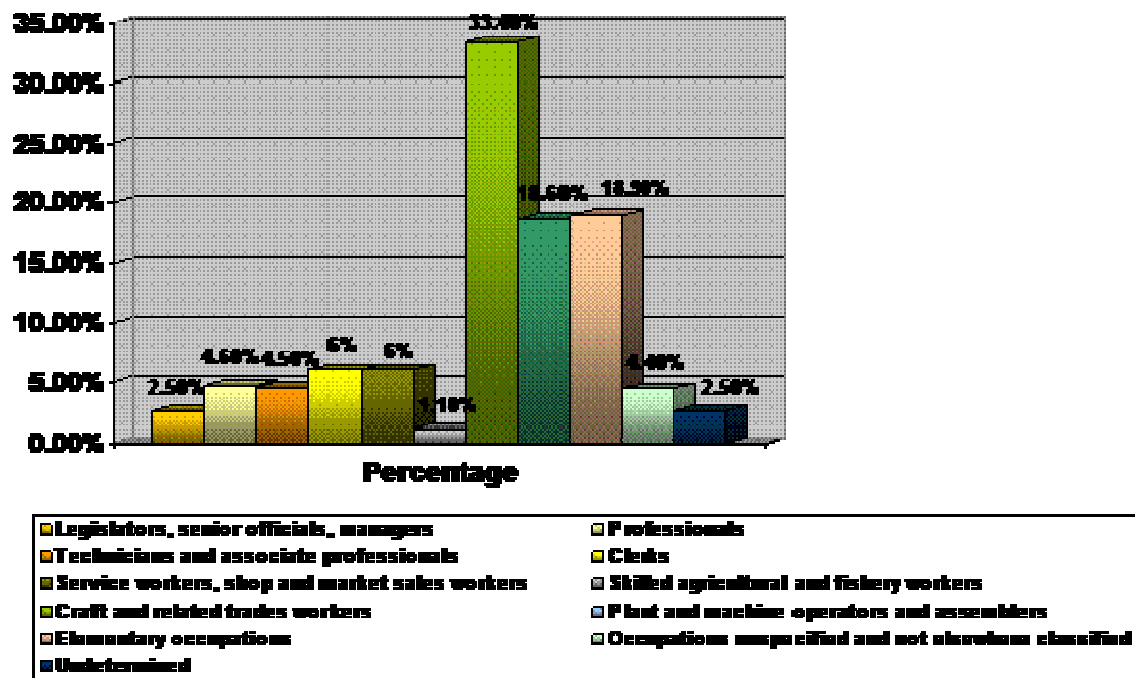
TABLE B12: Education Levels



2.6. Level of skills

The table below reflects the levels of skills among the employed in City Council. Approximately 33.4% of the working population in the study area has some form of craft and trade related skills that can benefit the local economy. 18.6% are plant and machine operators while 6% are service workers, shop market sale workers, 1.1% are skilled in agriculture and 18.9% are involved in elementary occupations.

Table B13: Level of skills – Occupation Status

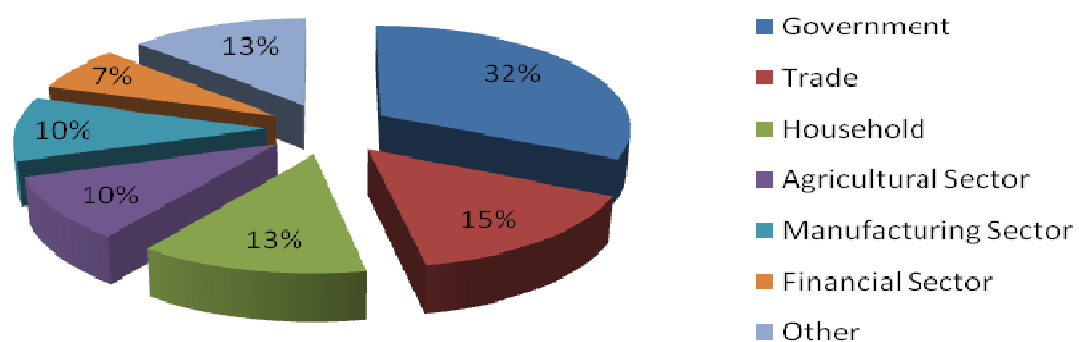


Source: Statistics South Africa, 2001

2.7. DEVELOPMENT OUTLOOK

Sector Analysis

Table B14: Below indicates the economic contribution per sector as a percentage of Tlokwe City Council's GDP for 2004



Source: (NWU 2004)

The government economy represents 39% of Tlokwe City Council GDP (2004). Due to the influence the government sector has on the economy of Tlokwe City Council, the importance of structured consultation with the mines to align social and economic plans with the Integrated Development Plans of the municipality is of utmost importance.

2.8. Status of residential development

Seven of the 25 municipalities in North West, namely, Rustenburg (37.3%), Local Municipality of Madibeng (37%), Maquassi Hills (32.6%), Kgetlengrivier (28.8%), Ventersdorp (27.5%), Moses Kotane (25.6%) and Merafong City (24.6%) are trailing behind with higher percentages of households living in informal dwellings above the provincial average (23.8%).

The table below is an indication of the dwelling types in Tlokwe City Council that gives a good indication of the development profile of the community.

TABLE B15: Dwelling types in Tlokwe City Council

TYPE OF DWELLING	%
House or brick structure on a separate stand or yard	55.8
Traditional dwelling/hut/structure made of traditional materials	1.2
Flat in block of flats	2.7
Town/cluster/semi-detached house (simplex: duplex: triplex)	1.0
House/flat/room in back yard	6.3
Informal dwelling/shack in back yard	8.7
Informal dwelling/shack NOT in back yard e.g. in an informal/squatter settlement	22.0
Room/flatlet not in back yard but on a shared property	1.9
Caravan or tent	0.3

Source: Statistic South Africa, 2001

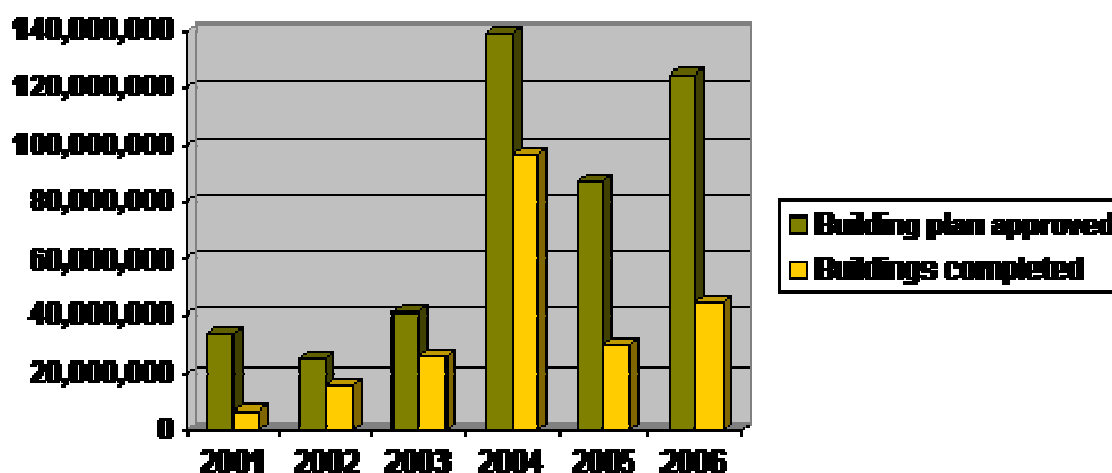
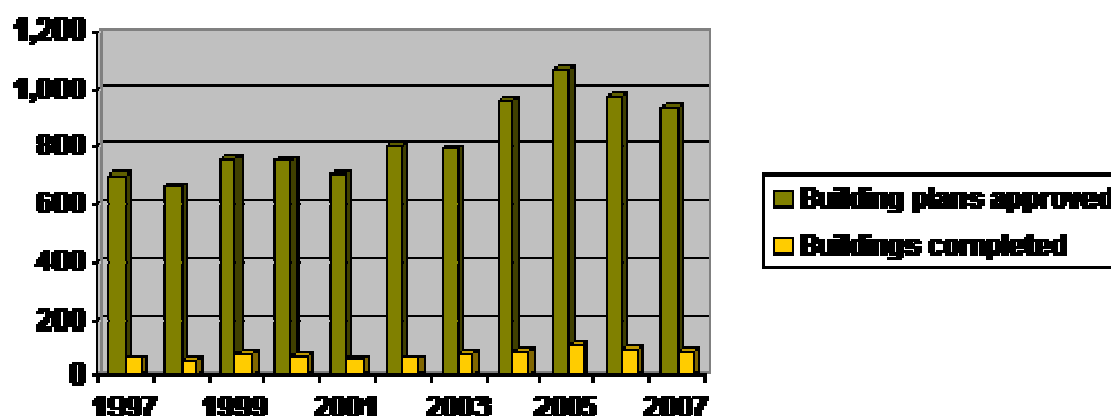


TABLE B16: Value of building plans approved and buildings completed

Source: Tlokwe City Council Statistics

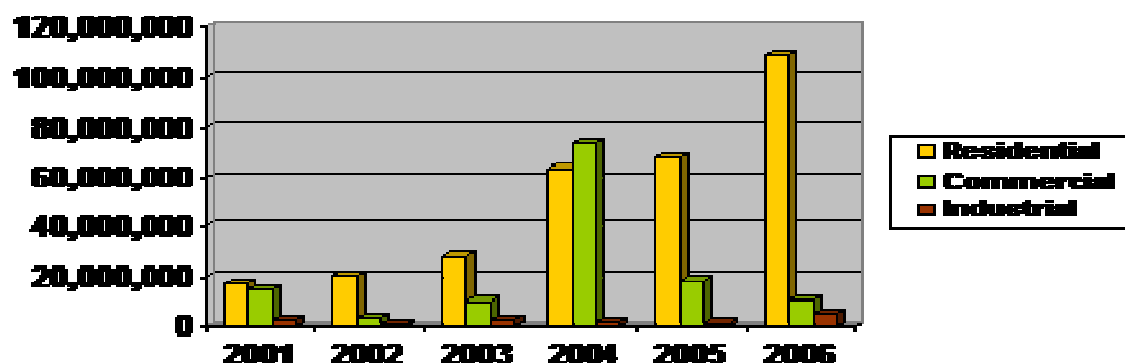
TABLE B17: Value of building plans approved and buildings completed in the formal sector (excluding housing subsidy projects)



Source: Tlokwe City Council Statistics

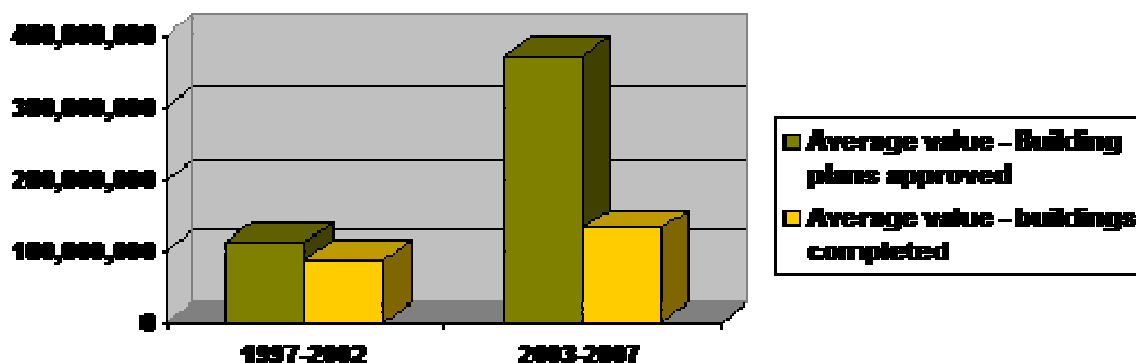
North West province had the highest percentage (76.2%) of municipalities having households living in formal dwellings more than its provincial average (66.5%). KwaZulu-Natal is trailing behind with only 31.4% of its municipalities exceeding its provincial average of 60.5%, followed by Mpumalanga (38.9%) with a provincial average of 77%, then Gauteng (45.5%) and Northern Cape (48.1%). Two of the provinces are having about 50% of its municipalities exceeding their provincial averages [Community Survey: 2007]

TABLE B18: Total value of building plans approved in the different sectors (including Housing subsidy projects)



Source: Tlokwe City Council Statistics

Table B19: Average value of building plans approved and buildings completed for the period 1997 - 2002 and 2003 - 2007



Source: Tlokwe City Council Statistics

The table above clearly indicates the growth experienced in Tlokwe City Council in the building construction sector for the period 2004 – 2006. This tendency is expected to continue due to the increase in demand for housing in all categories

TABLE B20: Percentage of households using electricity for lighting, cooking and heating

SERVICE	CENSUS 2001	COMMU SURVEY 2007
Lighting	77,9%	90,7%
Cooking	62,0%	83,0%
Heating	59,8%	77,3%

Source: Community Survey, 2007

TABLE B21: Percentage of households using Pit Latrine, Toilet and those without any facility

SERVICE	CENSUS 2001	COMMU SURVEY 2007
Pit Latrine	12,9, %	6,1%
Flush Toilet	68,8%	83,4%
No Toilet	9,6%	3,8%

Source: Community Survey, 2007

TABLE B22: Percentage of households by the type of refuse disposal

SERVICE	CENSUS 2001	COMMU SURVEY 2007
Removal by Municipality	77,8%	79,7%
No Refuse Removal	3,8%	4,3%

Source: Community Survey, 2007

TABLE B23: Percentage of households having access to piped water

SERVICE	CENSUS 2001	COMMU SURVEY 2007
Piped water inside dwelling	30,2	62,6
Piped water inside yard	48,5	25,6
Piped (tap)water to community stand (<200m)	8,9	5,5
Piped (tap)water to community (>200m)	10,4	0
Total Piped water	98,0	93,7

Source: Community Survey, 2007

CONCLUSION

The demographic and social situation presents the following challenges and threats to the Tlokwe City Council:

The demographic profile of Potchefstroom is male dominant. This situation bares testimony to the large number of male immigrants who moved into the area in search of employment on the city. High levels of in-migration imply an increasing demand for social services such as housing, municipal infrastructure, health facilities and so on.

The Human Development Index (HDI) for Potchefstroom (0.6) does not compare favourably to that of Gauteng (0.7). This means that the local population of Tlokwe City Council experience, on average, a lower level of life expectancy, income, and literacy than Gauteng. The lower HDI of Tlokwe City Council indicates a competitive disadvantage in the Provincial context due to the higher incidence of poverty and skills shortages

An analysis of labour remuneration revealed that approximately 83% of the labour force in Potchefstroom earned less than R3200 per month. The high unemployment rate and low household incomes imply that there is insufficient disposable income and therefore low buying capacity per household. This has negative implications on the economic base of the

Potchefstroom. Furthermore the low household incomes imply that many households are not in a position to pay for services and municipal rates and taxes, contributing to the increasing number of indigents.

Less than 21% of all individuals in Potchefstroom above the age of 19 had a Grade 12 or higher qualification in 2001. The low education levels in Potchefstroom present serious challenges in terms of the availability of skills required for employment opportunities that might be created in the area.

3. The Vision, Mission and Values of Tlokwe City Council

4. Vision

A transformed, leading, competitive and preferred World Class City

5. Mission

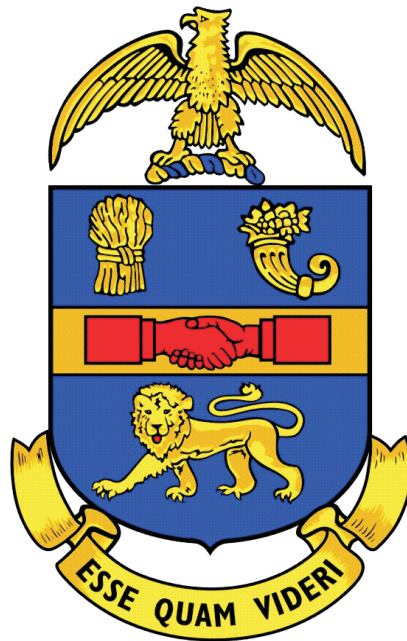
Provide quality sustainable services that are responsive to our communities' needs within a Healthy, Safe and Green Environment through Good Governance

6. Values

- Honesty and Integrity
- Equality
- Respect
- A-political administration
- Adherence to the Batho-Pele principles

TLOKWE CITY COUNCIL

CHAPTER 2



SERVICE DELIVERY AND PERFORMANCE REPORT

Chapter 2

2. Performance Highlights

Potchefstroom covers an area of approximately 2500 square km and is divided into two parts by the N12 route between Johannesburg and Cape Town. The N12 is one of the main designated development corridors in South Africa.

According to the Tlokwe City Council Annual Report 2009 – 2010, Potchefstroom has a population of +- 250 000 people. In terms of StatsSA 2007 Community Survey, Potchefstroom has a total population of 124 351 people. The population according to the 2001 census was 128 353, an unlikely decrease of 4002 people. The reason for such a phenomenon should be investigated against the background of the increasing demand for housing and other municipal services. The statistics of the survey is depicted in a table below (Table B1).

The previous figures have indicated much lower increase of population than expected, especially in relation to the provincial population growth rate. The comparable population growth rates for the Dr Kenneth Kaunda District Municipality and the Matlosana Municipality were previously 1.65% and 1.39% respectively. This does suggest a significant census undercount in Potchefstroom in the 2001 census, as well as with the Community Survey 2007- the danger of such inaccuracies is that the municipality will not be able to plan correctly and that the national government grant allocations to the Tlokwe City Council, which are based on the official statistics, will always be less than what we deserve in terms of actual population numbers.

2.1 KEY AWARDS WON FOR THE 2010/2011 FINANCIAL YEAR

Blue and Green Drop 2010/2011 Awards took place during a Gala Event on 30 June 2011 during the 3rd Municipal Water Quality Management Conference at the ICC in Cape Town. Officials and the MMC's of the Departments Community Services and Infrastructure attended the Conference and Ceremony. TCC obtained awards and certificates for the following:

1. Blue drop Award 2011—3rd consecutive year—Blue Drop (Platinum)
2. 6 place on top 10 list in the country for Blue Drop
3. 1st Green Drop status (2010/2011)
4. Highest score on top 10 list in the Country for Green Drop.
5. Best performer in Blue Drop in NW Province.
6. Best performer in Green Drop in NW Province



2.2. National Key Performance Areas

2.3. KPA: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

KEY PERFORMANCE ELEMENT (KPE)	KEY PERFORMANCE INDICATOR (KPI)	BASELINE	TARGET 2010/11	ACTUAL 2010/11	EXPLANATION OF VARIANCE / COMMENTS
2.1.1 Provision of free basic services	% of qualifying households receiving free basic services	100	100	100	Qualified households received free basic services as per Council policy.
	Council's level of support and threshold for electricity – 80 kWh.	80	80	80	Beneficiaries received 80 kWh of electricity as per Council's Indigent Policy
	Council's level of support and threshold for water – 6 kl.	6	6	6	Beneficiaries received 6 kl of water as per Council's Indigent Policy
	Council's level of support and threshold for refuse removal – R77,91	100%	100%	100%	Beneficiaries receive free refuse removal as per Indigent Policy
	Council's level of support and threshold for sanitation – R 99,84.	100%	100%	100%	Beneficiaries receive free sanitation as per Indigent Policy
2.1.2 Provision of electricity	% households on official surveyed sites with access to electricity	90	100	90	
	New electrical connections for Matlawang	-	133	133	DME projects
	Total number of new connections	250	250	166	
	Number of street lights maintained	-	800	853	
	Total number of high mast lights installed	-	6	0	Supply chain process to be completed
	Number of sub-stations equipped with scada system	-	2	2	Insufficient funding to complete project
	% electricity losses with distribution	8.24	5.0	5.46	Improvement on electricity losses
	Units (kWh) lost with distribution	38,511,229	23,368,000	25,613,543	Improvement on electricity losses as per previous financial year
	Maintenance of street lights	100%	100%	100%	
2.1.3 Alternate electricity distribution methods	Introduction of renewable energy resources (solar energy)	-	-	-	Council should in future look at alternative energy resources to be in line with international standards
2.1.4 Provision of basic water	% of households with a basic level of water (formal and informal areas)	100	100	100	Council achieved to supply all households with clean water
	% adherence to international standards	100	100	100	Blue Drop Status achieved for water

KEY PERFORMANCE ELEMENT (KPE)	KEY PERFORMANCE INDICATOR (KPI)	BASELINE	TARGET 2010/11	ACTUAL 2010/11	EXPLANATION OF VARIANCE / COMMENTS
	for the quality of water supplied to consumers				quality
2.1.5 Water Demand and Quality Management	% unaccounted for water	4.6	3.0	12.9	Water losses increased from the previous year
	Number of new water meters installed in unmetered areas	-	250	161	Insufficient funding and staff
	Number of old domestic meters replaced	-	400	372	Insufficient funding and staff
	Long term strategy to deal with water shortages	-	Planning	Funding to be sourced	Seek funding from external stakeholders
	% of households with a basic level of sanitation (formal and informal areas)	100	100	95	Insufficient funding
	Approval of Water Services Plan	-	Approval	Not achieved	Draft Water Services Plan has not been completed by service provider for approval
	Safe and clean drinking water	Blue Drop	Blue Drop	Blue Drop	
	Quality of waste water treatment	Green Drop	Green Drop	Green Drop	
2.1.6 Waste Management	Basic refuse removal and solid waste disposal (formal, informal and peri-urban areas).	80%	80%	80%	Make use of Private Entrepreneurs to expand service delivery for Solid Waste Management. The Budget, Personnel, Vehicles and equipment ratio not in line with the Growth and Development of the City.
	Reduction of green waste to landfill site	-	Equipment	Achieved	
	Reduction of illegal dumping and littering	-	Equipment	Achieved	
	Development of Felopepa landfill site - cell 3	-	100%	-	Consulting engineer to be appointed
	Upgrading of Waste Management Building	-	Completion	60% Completed	
	Implementation of new Waste Management Act July 2009	-			By-Laws not yet amended. Awaits outcome of Feasibility study to implement Waste Programme.
2.1.7 Occupational	Develop an Employee health and	-	Draft	Not achieved	Policy to follow normal route

KEY PERFORMANCE ELEMENT (KPE)	KEY PERFORMANCE INDICATOR (KPI)	BASELINE	TARGET 2010/11	ACTUAL 2010/11	EXPLANATION OF VARIANCE / COMMENTS
Health and Safety	wellness policy				
	Develop a COIDA code of practise	-	Draft	Not achieved	Draft not approved by Council
2.1.8 Integrated human settlement development – housing provision	Finalize the proclamation of Ikageng Ext. 9 and 11				
	Establish a database linked to a GIS				
	Approval of an Integrated Town Planning scheme				
	Complete old housing subsidy schemes				
	Transfer of properties to owners				
	Resolution of all housing disputes				
	Consolidate housing backlogs				
	Identify land for development				
	Compliance of Municipal Building by-laws (Building transgressions)				
	Application for funding to finalize Vredefort Dome document				
2.1.9 Integrated human settlement/spatial development	Council-approved Spatial Development Framework				
	A consolidated Land Use Management System (LUMS)				
2.1.10 Crime Prevention	Upgrading of electronic security systems	-	100%	Target not achieved	Delay in supply chain management process
	Expansion of CCTV surveillance cameras to other areas of Potchefstroom.	-	12	0	No funding from Dr KK District Municipality
	Disaster management centres		Upgrading of centre	Centre is fully functional	Continuous improvement next few years
2.1.11 Disaster Management	A fully functional disaster early warning system in place.	Weather Bureau	Functional early warning system	Functional early warning system	
	Disaster management plan level 2	Plan	Approval of plan	Not achieved	Draft plan submitted to Dr KK District Municipality
2.1.12 Traffic Safety	Law enforcement to ensure compliance to National Road Traffic Act	100%	100%	100%	
	Adherence to standard response times for emergencies (accidents)	Legislation SANS 100%	100%	100%	

KEY PERFORMANCE ELEMENT (KPE)	KEY PERFORMANCE INDICATOR (KPI)	BASELINE	TARGET 2010/11	ACTUAL 2010/11	EXPLANATION OF VARIANCE / COMMENTS
	Adherence to standard response times for emergencies (disaster)	Legislation SANS 100%	100%	100%	
	Adherence to standard response times for emergencies (fire)	Legislation SANS 100%	100%	Target not achieved	Long distances to travel from the station. Pilot fire stations should be introduced.
	A fully functional central control centre (CCC) for emergency services	Control Centre	Fully functional control centre	Fully functional central control centre	
	Approval of Road Transportation Plan	Draft Transportation Plan	Approval of Transportation Plan	Plan not finalised	Draft transportation plan to be completed for finalisation
	Maintenance of all road markings and signages on roads	100%	100%	80%	
	Promote road safety campaigns in schools	100%	100%	100%	
2.1.13 Roads	Upgrading and tarring of roads (km)	5	5	4,1	
	Resurfacing of roads (km)		12	7,4	
	Maintenance of paved roads (km).	18	18	18	
	Gravelling of roads (km)	-	100	28,1	
2.1.14 Stormwater	Maintenance of stormwater pipes (km)	40	40	2	
2.1.15 Parks	Safe and upgraded parks, open spaces and cemeteries	100%	100%	100%	
	Number of trees planted	-	1,000	315	Insufficient staff and budget resources
2.1.16 Environmental Management	Number of Environmental Projects implemented	1	1	1	
	Environmental Management Plan	-	Approval of Environmental Management Plan	-	None of the critical posts have been filled. The Provincial Government appointed a Service Provider to draft an Environmental Management Framework and an Environmental Management Plan.
	Ecocircles (vegetable gardens)	1500	1500	1691	

2.4. KPA: MUNICIPAL FINANCIAL VIABILITY AND SUSTAINABILITY

KEY PERFORMANCE ELEMENT (KPE)	KEY PERFORMANCE INDICATOR (KPI)	BASELINE	TARGET 2010/11	ACTUAL 2010/11	EXPLANATION OF VARIANCE / COMMENTS
2.2.1 Development of IDP-based budget	Approval of IDP-based budget that meets legal requirements.	Budget submitted	Submission of budget	Budget adopted	Approval of final budget by end of May 2010
	An approved sustainable financial plan for allocation of municipal resources to enhance sustainability. (Strategic Financial Plan)	Financial Plan submitted	Submission of Financial Plan	Financial Plan adopted	Approval of Financial Plan by end of May 2010
2.2.2 Sustained revenue collection	Revised Revenue Collection Plan in place.	100%	100%	100%	Review of Credit Control Policy
	% revenue collection.	100	100	85,7	Debtors are increasing on a yearly basis
	Debt-to-income ratio	1:20	1:50	1:4.7	Debt to income ratio is increasing
	% adherence to the Project Plan for the acquisition of the billing system.	100	100	100	
	Capturing all meters currently not in the billing system.	100%	100%	100%	
2.2.3 Sound Financial Management	% adherence to the Property Valuation Plan.	100	100	100	
	% Personnel costs to total operating income	27.8	25.0	29.8	
	% capital expenditure	100	100	76.9	
	% MIG expenditure	100	100	93.5	
	Submission of financial statements and reports that comply with MFMA and other accounting standards, practices and policies.	MFMA compliance	MFMA compliance	MFMA compliance	
	Creditors' days	44	30	30	
	Compilation of asset register according to GRAP standards	80%	100%	100%	
	Risk Management Policy	-	Approval of policy	Not achieved	In the next financial year the Council will have to approve a Risk Management Policy
	Risk Management Plan	-	Approval of plan	Not achieved	In the next financial year the Council will have to approve a Risk Management Plan
	Risk assessment and development of risk	Completed risk	Review of	Not achieved	Shortage of personnel

KEY PERFORMANCE ELEMENT (KPE)	KEY PERFORMANCE INDICATOR (KPI)	BASELINE	TARGET 2010/11	ACTUAL 2010/11	EXPLANATION OF VARIANCE / COMMENTS
	register	register	register		
2.2.4 Internal Audit	Approval of internal audit plan – 3 years	Approved	Approved	Approved	
	Audit Committee	4 Meetings	4 Meetings	0	Members not elected
2.2.5 External Audit	Unqualified audit report	Disclaimer	Unqualified	Qualified	
2.2.6 Asset management	Completion of a comprehensive asset register	Asset register	Detailed Asset Register	Achieved	

2.5. KPA MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

KEY PERFORMANCE ELEMENT (KPE)	KEY PERFORMANCE INDICATOR (KPI)	BASELINE	TARGET 2010/11	ACTUAL 2010/11	EXPLANATION OF VARIANCE / COMMENTS
2.3.1 Strategic planning and integration	An IDP Stakeholder system is in place	IDP Meetings	IDP Meetings	IDP Meetings	
2.3.2 Organisational rationalisation	Completion of the high-level institutional rationalization to eliminate duplications and enhance integration between performance and staff utilization.	-	Approval of organizational structure	Approved	
	A functional administrative structure to co-ordinate service delivery in Potchefstroom.	-	Approval of organizational structure	Approved	
2.3.3 Human Resources Development	Completion and implementation of a Employment Equity Plan.	Employment Equity plan	Revised Employment Equity plan	Not achieved	Policy making processes delayed
	Submission of Workplace Skills Plan	Yes	Yes	Yes	
	Existence of an integrated programme for the acquisition of scarce skills as well as for dealing with current skills shortages in the Municipality.	Skills development plan	Review Skills development plan	Not achieved	Human Resource report outstanding
	% of Skills Development Levy to the Municipality.	100%	100%	100%	Rebate received from SETA
	Completion of Task Job Evaluation Internal Processes	Process completed	Evaluation process completed	Process completed	Evaluation forms submitted to SALGA
	A uniform remuneration framework that is equitable and cost effective in place.	Uniform remuneration framework	Implementation of framework	Not achieved	Wage curve not completed by SALGA

KEY PERFORMANCE ELEMENT (KPE)	KEY PERFORMANCE INDICATOR (KPI)	BASELINE	TARGET 2010/11	ACTUAL 2010/11	EXPLANATION OF VARIANCE / COMMENTS
	An integrated HR Information System (HRIS) in place	-	HR system	No progress	A report has been drafted to assist the process
	Review all Human Resource policies	100%	100%	Not achieved	Is in process
2.3.4 Integrated Performance Management	Performance Management System	-	Performance Management System	Not achieved	A serious shortage of skilled personnel
	Performance Management Policy	Draft policy	Approval of Performance Management Policy	No policy has been approved by Council	A serious shortage of skilled personnel

2.6. KPA LOCAL ECONOMIC DEVELOPMENT

KEY PERFORMANCE ELEMENT (KPE)	KEY PERFORMANCE INDICATOR (KPI)	BASELINE	TARGET 2010/11	ACTUAL 2010/11	EXPLANATION OF VARIANCE / COMMENTS
2.4.1 Poverty alleviation and job creation	Integrated Poverty Alleviation Strategy and Programme.	-	1	Not achieved	Policy has to be developed by municipality
	Number of co-operatives established	21	20	Not achieved	LED is responsible
	% reduction in unemployment	-	-	-	No statistical information available
2.4.2 EPWP	Number of jobs created by municipal LED activities.	200	200	79	
	Number of learnerships in engineering – infrastructure sector.	-	3	3	
2.4.3 Economic growth and development	Adopt an economic plan	Draft	Approved strategy	Not achieved	Lack of funding
	Market local airport	-	100%	20%	Attract investors
	Establish a local economic development forum	SMME Forum	Consultative structure to be in place	Not achieved	Formal businesses are not co-operative
2.4.4 Tourism	% annual increase in tourism	5%	5.8%	5.8%	STATSSA July 2009
	Number of township tourism entities established or capacitated through the Municipality's assistance.	2	2	2	Facilitation and support
2.4.5 Broad-based economic empowerment	Supply Chain Management Policy to enhance broad-based economic empowerment in place.	-	Approval of policy	Policy approved	
2.4.6 Capacity building	Create a database to analyze the needs of skills shortages	-	Database	Database established	This process should be ongoing
2.4.7 Sports development	Sports programme to be developed	-	1	-	Waiting for the appointment of sport liaison officer
	Number of sports facilities upgraded and maintained.	24	24	24	
	Number of people who benefited from sport development programmes.	-	-	-	Statistics are not available
2.4.8 Recreation	Number of resorts	1	1	1	
	Recreational facilities upgraded.	100%	100%	50%	Insufficient funding

KEY PERFORMANCE ELEMENT (KPE)	KEY PERFORMANCE INDICATOR (KPI)	BASELINE	TARGET 2010/11	ACTUAL 2010/11	EXPLANATION OF VARIANCE / COMMENTS
2.4.9 Arts, culture and heritage	Number of heritage sites	1	1	1	Vredefort Dome as world heritage site
	Maintaining of Memorial Park	1	1	1	
2.4.10 Library services	Computerisation of all libraries	90%	100%	99%	Some Extension programs have not yet been loaded at the Main Library due to lack of sufficient funds.
	Implementation of outreach programmes	15	15	15	Libraries intend to reach as many disadvantaged , children as possible.

2.7. KPA GOOD GOVERNANCE AND PUBLIC PARTICIPATION

KEY PERFORMANCE ELEMENT (KPE)	KEY PERFORMANCE INDICATOR (KPI)	BASELINE	TARGET 2010/11	ACTUAL 2010/11	EXPLANATION OF VARIANCE / COMMENTS
2.5.1 Council policies	Adopting and implementing Council policies	100%	100%	100%	
2.5.2 Public participation	Integrated Public Participation Strategy and Implementation Plan.	Plan	Public participation	Plan implemented	
	Institutionalisation of Ward Committees in the Municipality's administration and routing them to communities.	Ward Committees	Ward Committee meetings	In place	
	% Ward Committees holding meetings in line with the agreed timelines.	100	100	50 %	
2.5.3 Special Sector Support	Comprehensive Special Sector Development Programme.	-	-	-	To be drafted in the next financial year
2.5.4 Customer Care	Customer Care Satisfaction.	100%	100%	85%	
	Anti fraud hot line	Daily	Daily	Daily	
2.5.5 Councillor Support	Capacity Development Programme for Councillors.	100%	100%	100%	
2.5.6 Central Archives	Processing of Council documents	100%	100%	100%	
2.5.7 Secretarial Services	Compilation of minutes, agendas and Council resolutions	100%	100%	100%	
2.5.8 Communication	Key service delivery issues in media and to the community (Tlokwe Newspaper)	12	12	12	
2.5.9 Legal Compliance	Delegation of powers	Draft	Approval	Draft	Under review

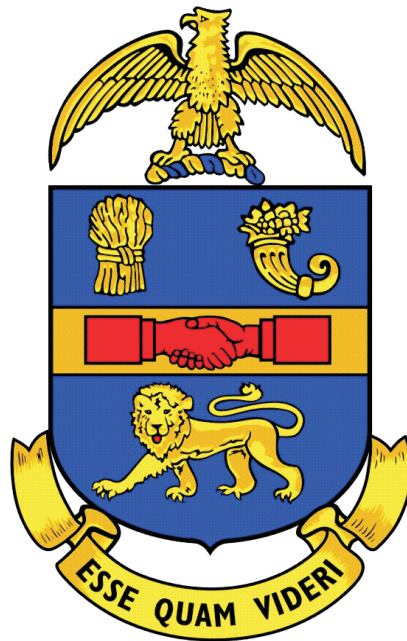
LAND USE MANAGEMENT 2010/2011													
APPLICATIONS PROCESSED	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
1. Township establishment applications (applications, conditions of establishment, Section 125's)	2	2	0	3	1	0	1	2	1	11		12	35
2. Amendment Schemes	2	11	4	5	6	3	1	6	4	11	3	3	59
3. Consent applications (Written & Special)	0	4	0	2	1	2	0	0	2	3	4	3	21
4. Business rights in rural areas	0	0	0	2	0	0	1	1	0	0	0	5	9
5. Subdivisions & Consolidations	2	0	1	3	1	0	3	3	2	3	4	1	23
6. Site development plans	4	3	3	1	0	3	0	6	5	2	7	2	36
7. Zoning certificates	17	14	14	13	26	0	13	24	21	23	14	14	193
8. Contravention letters	1	4	0	4	0	1	4	2	7	2	5	3	33
9. Written enquiries	3	4	1	3	16	0	5	1	3	1	2	0	39
10. Plans prepared	1	0	1	0	2	0	0	0	3	0	0	0	7
11. Other reports submitted	0	6	1	10	2	2	3	2	3	1	3	0	33

2.8. BUILDING PLANS2010/2011

Category	Number of new Applications Received 2010/11	Total value of Applications Received R
Residential dwelling houses	249	183,000,231
Residential higher density	19	249,129,600
Residential additions	547	143,943,175
Commercial	23	19,580,000
Industrial	4	5,015,000
Other: New and additions at Churches, Private schools, Hospitals, Cellphone masts etc.	35	45,691,000

TLOKWE CITY COUNCIL

CHAPTER 3



HUMAN RESOUTCE
AND OTHER
ORGANIZATIONAL
MANAGEMENT

CHAPTER 3

3. Organisational Human Resource and other Organisational Management

The role of Human Resources Management (HRM) within the City can be categorized as:

1. Strategic Human Resource Management where human resources practices that drive and support the City's organizational strategy are identified and structured.
2. Human Resource Service Delivery, which involves the design and delivery of human resource processes for staffing, training, appraising, rewarding and general managing of the life cycle of employees throughout the organization.
3. Employee Commitment – facilitating capacity building of managers to have the required skills, knowledge and competence to manage their staff effectively.
4. Change Management, through facilitation of problem identification and helping the management team to develop and implement appropriate solution and action plans.
5. Develop policies to be effective and efficient for municipal human capital and resources.
6. Provide for excellent human relations in the municipality.

The Tlokwe City Council has a total workforce of 1,127.

The actual personnel cost contributes 30,6% of the Tlokwe City Council budget.

3.1 The table provides the budgeted posts in the Tlokwe City Council

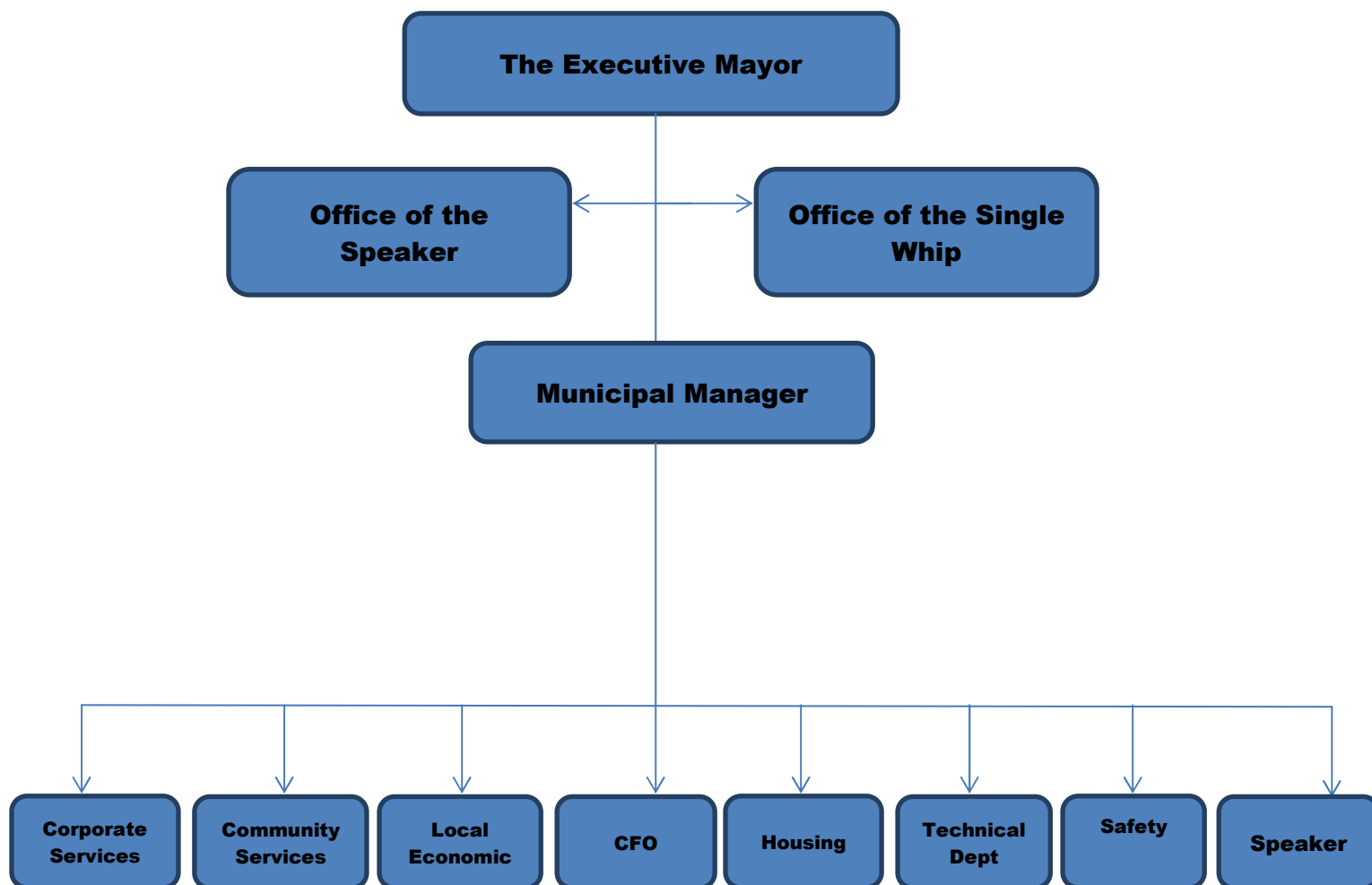
Department	2009/10	2010/11
Executive Mayor	17	18
Office of the Speaker	33	45
Municipal Manager	11	13
Budget and Treasury Office	76	86
Public Safety	146	158
Corporate Services	78	24
Infrastructure	273	283
Community Services	410	456
Housing and Planning	32	36
Economic Development	7	8
TOTAL	1,083	1,127

The City Council's Capacity Development and skills development programme are NQF aligned.

The City Council values stability in the workplace and through the Local Labour Forum, all labour related issues are resolved between the Employees and the different trade unions.

The following tables represent information on the pension funds and medical aid schemes in existence in Tlokwe City Council.

3.1 Organizational Structure of the Municipality



The municipality has seven positions for section 57 Managers and two critical positions (Infrastructure and corporate Services) still needs to be filled in due course. The institutional organogram is being reviewed and all other budgeted positions in the old organogram are filled (Managers and their Unit Managers and other staff personnel).

Pension Funds:

Name of Fund	No of Members
South African Local Authorities Pension Fund	67
Potchefstroom Municipal Retirement Fund	540
SAMWU National Provident Fund	117
Municipal Employees Pension Fund	207
Municipal Gratuity Fund	113

Medical Aid Schemes:

Schemes	Membership
Keyhealth	110
Bonitas	155
Hosmed	82
LA Health	52
SAMWUMED	197

Post retirement Health Care benefit liability: R 18,271,330

3.2. The following table illustrates trends in personnel expenditure in the last five years:

Year	Personnel Expenditure R	Total Operating Income R	%
10/11	210,776,572	706,966,781	29.8
09/10	188,946,479	693,917,858	27.2
08/09	153,249,960	491,314,969	31.2
07/08	134,548,118	403,913,527	33.3
06/07	122,732,677	373,260,827	32.9

* Including grants received in the operating income

3.3. Breakdown in Personnel Expenditure for 2010/11

Description	Budget 2010/2011	Actual 2010/2011
Salaries	116,093,577	112,606,075
Contribution: Pension Fund	24,644,764	23,663,260
Contribution: Insurance	6,156,792	6,139,883
Medical Aid Fund	10,399,905	10,252,879
Provision: Bonuses	10,246,109	9,183,321
Provision: Leave	3,001,201	3,001,201
Stand-by Service	1,786,372	2,069,825
Housing and Allowance	3,008,346	2,594,345
Protective Clothing	1,585,715	1,352,587
Overtime Remuneration	7,343,834	11,445,283
Temporary/ Project Workers	307,066	251,235
Supervisors	528,200	510,173
Reservists	703,700	561,554
Transport Allowance	7,885,370	7,616,015
Provision for post retirement benefits	11,850,193	19,528,936
	205,541,144	210,776,572

TLOKWE CITY COUNCIL

CHAPTER 4



CONSOLIDATED ANNUAL FINANCIAL STATEMENTU



REPORT OF THE AUDITOR-GENERAL TO THE NORTH WEST PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE TLOKWE CITY COUNCIL

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying consolidated and separate financial statements of Tlokwe City Council, which comprise the consolidated and separate statement of financial position as at 30 June 2011, the consolidated and separate statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, as set out on pages 59 to 123.

Accounting officer's responsibility for the consolidated financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2010 (Act No. 1 of 2010) (DoRA) and for such internal control as management determines necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and, section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these consolidated and separate financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for qualified opinion

Property, plant and equipment

7. I was unable to obtain sufficient appropriate audit evidence to determine the existence, completeness, valuation and allocation, rights and obligations of property, plant and equipment of R977 568 015 (2010: R930 929 624) as disclosed in the consolidated and separate statement of financial position and note 7 to the financial statements. SA Standards of GRAP, GRAP 17, *Property, plant and equipment* requires that each significant component of an item of property, plant and equipment should be recognised separately. The municipality has not yet completed its process of unbundling property, plant and equipment to adhere to this requirement. The municipality's records did not permit the performance of alternative audit procedures regarding the existence, valuation and allocation, rights and obligations and completeness of property, plant and equipment.
8. The municipality did not review the residual values and useful lives of property, plant and equipment at each reporting date or assessed whether there is any indication that an asset may be impaired in accordance with SA Standards of GRAP, GRAP 17 *Property, plant and equipment*. The municipality's records did not permit the performance of alternative audit procedures. Consequently, I was unable to practicably determine the misstatement in the depreciation and amortisation expense of R33 323 729 (2010: R21 736 717) as per the consolidated and separate statement of financial performance or in the valuation of property, plant and equipment of R977 568 015 (2010: R930 929 624) disclosed in the consolidated and separate statement of financial position and note 7 to the financial statements.
9. SA Standards of GRAP, GRAP 17 *Property, plant and equipment* require land and buildings to be accounted separately. The municipality's valuation method used to value land included both the value of the land and the value of the buildings on the land, while the value of the buildings were already accounted for separately, resulting in a duplication. Furthermore land that was recorded in the asset register at no value was also identified. I was unable to practicably determine the misstatement in land and buildings of R546 716 609 (2010: R549 013 791) included in property, plant and equipment of R977 568 015 (2010: R930 929 624) disclosed in the consolidated and separate statement of financial position and note 7 to the financial statements.
10. SA Standards of GRAP, GRAP 17 *Property, plant and equipment* require that property, plant and equipment should initially be measured at cost. Contrary to this, the municipality, in an attempt to correct the asset register, incorrectly used the carrying value of R62 346 910 as the cost price of property, plant and equipment. The municipality's records did not permit the performance of alternative audit procedures. Consequently, I was unable to practicably determine the misstatement in the cost price, accumulated depreciation and depreciation of property plant and equipment of R977 568 015 (2010: R930 929 624) as disclosed in the consolidated and separate statement of financial position and note 7 to the financial statements.

Inventory

11. I was unable to obtain sufficient appropriate evidence that the municipality did have ownership of land of R70 510 930 included in inventory of R739 947 363 in the consolidated and separate statement of financial position and note 2 to the financial statements. The municipality's records did not permit the performance of alternative audit procedures. Consequently, I was unable to determine the rights and obligations of this land included in inventory.
12. SA Standards of GRAP, GRAP 12, *Inventories* require property held for sale to be classified as inventory. I was unable to obtain sufficient appropriate audit evidence that land of R42 705 000 included in inventory of R739 947 363 in the consolidated and separate statement of financial position and note 2 to the financial statements, were in fact held for sale. The municipality's records did not permit the performance of alternative audit procedures. Consequently, I was unable to determine the valuation and allocation of this land included in inventory.

Expenditure

13. In the previous financial year, I was unable to obtain sufficient appropriate audit evidence or perform alternative audit procedures for expenditure of R7 258 913 included in the corresponding figures for general expenses of R126 212 555 and R126 212 455 respectively in the consolidated and separate statement of financial performance and in note 35 to the financial statements. The municipality could still not produce the required audit evidence in this regard; consequently, I was unable to determine the occurrence, completeness, accuracy, cut-off and classification of this expenditure included in the corresponding figures for general expenses.

Total assets

14. Total assets of R2 086 094 541 and R2 084 902 276 disclosed respectively in the consolidated and separate statement of financial position, are materially misstated due to the cumulative effect of the individually immaterial misstatements. I was unable to obtain sufficient appropriate audit evidence or verify by alternative means the existence, valuation and allocation and rights and obligations of cash and cash equivalents of R4 877 399, long term receivables of R3 617 042 and trade receivables from non- exchange transactions of R2 438 555.

Qualified opinion

15. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Tlokwe City Council as at 30 June 2011 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and the DoRA.

Emphasis of matters

16. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Restatement of corresponding figures

17. As disclosed in note 37 to the consolidated and separate financial statements, the corresponding figures for accumulated surplus, repairs and maintenance, finance cost, general expenditure, inventory, trade receivables from non-exchange transactions, property plant and equipment, intangible assets and creditors have been restated as a result of errors discovered at, and for the year ended 30 June 2011.

Unauthorised, irregular and fruitless and wasteful expenditure

18. As disclosed in note 39 to the consolidated and separate financial statements, irregular expenditure of R74 240 129 (2010: R95 235 050) was incurred due to non compliance with the supply chain management regulations.
19. As disclosed in note 39 to the consolidated and separate financial statements, unauthorised expenditure of R22 313 235 (2010: R45 960 910) was incurred due to overspending of the budget on employee cost, grants and subsidies paid, impairment losses and depreciation.
20. As disclosed in note 39 to the consolidated and separate financial statements, fruitless and wasteful expenditure of R314 289 (2010: R1 126 504) was incurred, mainly due to interest paid on late payment of amounts due.

Material underspending of the budget

21. As disclosed in note 47 to the consolidated and separate financial statements, the municipality materially underspent the budget by R32 990 479 (2010: R17 261 354), mainly on repairs and maintenance, bulk purchases and general expenditure. As a consequence, service delivery was affected negatively.

Additional matter

22. I draw attention to the matter below. My opinion is not modified in respect of this matter:

Unaudited supplementary schedules

23. The supplementary information set out on pages 124 to 138 does not form part of the consolidated and separate financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

24. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 22 to 32 and material non-compliance with laws and regulations applicable to the municipality.

Report on predetermined objectives

Presentation of information

25. The reported performance against predetermined objectives was deficient in respect of the following criteria:
- Performance against predetermined objectives is reported using the National Treasury guidelines

The following audit findings relate to the above criteria:

Measures taken to improve performance were not explained in the report on predetermined objectives

26. Adequate explanations of measures taken to improve performance were not provided in the performance report, as required by section 46(1)(c) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA). In total 86% of the reported targets where improvement is required, were not explained.

Usefulness of information

27. The reported performance against predetermined objectives was deficient in respect of the following criteria:
- Measurability: Indicators are well-defined and verifiable, and targets are specific, measurable and time-bound
 - Relevance: A clear and logical link exists between the objectives, outcomes, outputs, indicators and performance targets
 - Consistency: Objectives, indicators and targets are consistent between planning and reporting documents

The following audit findings relate to the above criteria:

Planned and reported indicators are not well defined

28. For the selected objectives (Basic service delivery, Social priorities and Economic priorities), 25% of the planned and reported indicators were not clear, with an unambiguous definition to allow for data to be collected consistently.

Planned and reported indicators are not verifiable

29. For the selected objectives (Basic service delivery, Social priorities and Economic priorities), 25% of the planned and reported indicators were not verifiable, as it was not possible to validate the processes and systems that produce the indicator.

A clear and logical link does not exist between reported development objectives, indicators and targets

30. 68% of development objectives included in the annual performance report had no logical link to related indicators and targets.

Reported objectives/indicators/targets are not consistent when compared with the planned objectives/indicators/targets

31. Reported performances against predetermined objectives/indicators/targets are not consistent with the approved integrated development plan.

Reliability of information

32. The reported performance against predetermined objectives was deficient in respect of the following criteria:
- Validity: Actual reported performance has occurred and pertains to the entity
 - Accuracy: Amounts, numbers, and other data relating to reported actual performance have been recorded and reported appropriately
 - Completeness: All actual results and events that should have been recorded have been included in the annual performance report

The following audit findings relate to the above criteria:

The validity, accuracy and completeness of reported performance against targets could not be confirmed as no supporting source information was provided

33. For the selected objectives (Basic service delivery, Social priorities and Economic priorities), the validity, accuracy and completeness of 100% of the reported targets could not be established, as sufficient appropriate audit evidence and relevant source documentation could not be provided.

Measures taken to improve performance were not supported by adequate and reliable corroborating evidence

34. Corroborating evidence provided as a basis for the measures taken to improve performance between the planned and the actual reported targets did not in all instances agree with the measures taken to improve reported performance.

Compliance with laws and regulations

Budget

35. Contrary to section 15 of the MFMA, the municipality incurred expenditure in excess of the amounts provided for in the votes of the approved budget.

Financial misconduct

36. Investigations into all allegations of financial misconduct against officials of the municipality, were not instituted as required by section 171(4)(a) of the MFMA.

Annual financial statements and annual performance report

37. The financial statements submitted for audit were not in all material respects prepared in accordance with the requirements of section 122 of the MFMA. Material misstatements of property, plant and equipment, accumulated surplus and expenditure identified by the auditors were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

38. The accounting officer did not submit the consolidated annual financial statements for auditing, within three months after the end of the financial year as required by section 126(1)(b) of the MFMA.
39. The annual performance report did not contain a comparison of the performance of the municipality and of each external service provider with development priorities, objectives and performance indicators set out in its integrated development plan as required by section 46 of the MSA.

Procurement and contract management

40. The preference point system was not applied in all procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act (PPPFA) and SCM regulation 28(1)(a).
41. Awards were made to suppliers based on preference points that were not allocated and/or calculated in accordance with the requirements of the PPPFA and its regulations.
42. Awards were made to suppliers that did not score the highest points in the evaluation process as required by section 2(1)(f) of PPPFA.
43. Goods and services with a transaction value between R10 000 and R200 000 were procured without obtaining written price quotations from at least three different prospective providers as required by SCM regulation 17(a) & (c).
44. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids as required by SCM regulation 19(a) and 36(1).
45. Awards were made to providers based on criteria that differed from those stipulated in the original bid documents and/or were not stipulated in the original bid documents as required by SCM regulation 21(b) and/or 28(1).
46. Final awards and/or recommendation of awards to the accounting officer were not always made by an adjudication committee which was constituted of at least one senior SCM practitioner who is an official of the municipality as required by SCM regulation 29(2).
47. Construction contracts were awarded to contractors that were not registered with the Construction Industry Development Board (CIDB) and/or did not qualify for the contract in accordance with the prescripts of the CIDB.

Expenditure management

48. The accounting officer did not take reasonable steps to prevent unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.
49. The municipality did not recover unauthorised, irregular or fruitless and wasteful expenditure from the liable person, as required by section 32(2) of the MFMA.

Asset management

50. The accounting officer did not take all reasonable steps to ensure that the municipality had and maintained a management, accounting and information system which accounts for the assets of the municipality as required by section 63(2)(a) of the MFMA.
51. The accounting officer did not take all reasonable steps to ensure that the municipality had and maintained an effective system of internal control for assets (including an asset register) as required by section 63(2)(c) of the MFMA.

Strategic planning and performance management

52. The municipality did not adopt a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players as required by section 38, 39, 40 and 41 of the MSA read with regulations 7 and 8 of the Municipal Planning and Performance Management Regulations, 2001.

53. The accounting officer of the municipality did not by 25 January assess the performance of the municipality during the first half of the financial year, taking into account the municipality's service delivery performance during the first half of the financial year and the service delivery targets and performance indicators set in the service delivery and budget implementation plan as required by section 72(1)(a)(ii) of the MFMA.
54. The accounting officer of the municipality did not submit the results of the assessment on the performance of the municipality during the first half of the financial year to the Mayor of the municipality, the National Treasury, and the provincial treasury as required by section 72(1)(b) of the MFMA.

Audit committees

55. No audit committee was in place as required by section 166(1) of the MFMA.
56. The municipality did not appoint and budget for a performance audit committee, nor was another audit committee utilised as the performance audit committee as required by regulation 14(2)(a) of the Municipal Planning and Performance Management Regulations, 2001.

Internal audit

57. The internal audit processes and procedures did not include assessments of the functionality of the municipality's performance management system and whether the system complied with the requirements of the MSA as required by regulation 14(1)(b)(i) and 14(1)(b)(ii) of the Municipal Planning and Performance Management Regulations, 2001.
58. The internal audit processes and procedures did not include assessments of the extent to which the municipality's performance measurements were reliable in measuring the performance of the municipality on key as well as general performance indicators as required by regulation 14(1)(b)(iii) of the Municipal Planning and Performance Management Regulations.

Moorivier Mall Investment Company Limited (MMIC)

59. Section 86E(1)(a) of the MSA allows that a municipality may establish a company only for the purpose of utilising the company as a mechanism to assist in the performance of any of its functions and powers. Contrary to this requirement, the municipality established and exercised effective control over the MMIC which assists the community in obtaining shares in the recently developed Moorivier Mall. It is recommended that the municipality release its effective control through the appointment of directors which are not councillors of the municipality.

INTERNAL CONTROL

60. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the qualified opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

61. Management's philosophy and operating style does not promote effective control over reporting. The accounting officer does not exercise oversight over reporting and compliance with laws and regulations and internal control. An effective organisational structure for placing appropriately skilled people is not in place. Furthermore the municipality did not have sufficient monitoring controls to ensure adherence to the internal policies and procedures regarding predetermined objectives at a programme/objective level, as well as for purposes of taking corrective action.

Financial and performance management

62. Proper record keeping policies and procedures should be implemented and monitored as no adequate record keeping and record management processes exist for reporting on predetermined objectives, resulting in requested information not always being available.

Governance

63. Proper governance structures are not in place and not functioning effectively as ongoing monitoring and supervision by internal audit is not undertaken to enable an assessment of the effectiveness of internal control over financial and performance reporting. A fraud prevention plan is not documented and used as per the requirements of applicable legislation. No audit committee was in place during the year and furthermore the annual financial statements and performance report are not reviewed prior to submission for audit.

Auditor-General.

Potchefstroom

08 May 2012



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

TLOKWE CITY COUNCIL

(NW 402)



ANNUAL FINANCIAL STATEMENTS

**for the year ended
30 June 2011**

I am responsible for the presentation of these annual financial statements, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 39 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.


SA Tyatya
Accounting Officer

Date

General Information of Tlokwe City Council

Members of the Mayoral Committee

Cllr AJ Maphetle	:	Executive Mayor
Cllr DNS Tsagae	:	Speaker
Cllr MA Masiu	:	Single Whip
Cllr EPM Modiakgotla	:	Community Services
Cllr MR Dassie	:	Housing and Planning
Cllr MW Sehurutshe	:	Corporate Services
Cllr HE Stoltz	:	Public Safety
Cllr MP Mogoshane	:	Infrastructure
Ald RH Mokgethi	:	Economic Development
Ald TR Mampe	:	Finance
Cllr KN Mosenogi	:	Special Programmes

Ward Councillors

1. NP Raboto	2. R Kruger	3. JC Landsberg
4. DL Davel	5. JM Venter	6. AA le Roux
7. LP Wright	8. MD Hlahaswane	9. MW Sehurutshe
10. LW Mojapele	11. EPM Modiakgotla	12. RH Mokgethi
13. VC Tafita	14. TR Mampe	15. MD Theko
16. TB Mono	17. MA Taoleng	18. NM Koloti
19. MA Masiu	20. MP Mogoshane	21. BE Mahlabe

Oversight Committee

Cllr CJ Coetzer	Cllr MP Mogoshane	Cllr SI Dipico
Prof R Everson	Cllr CC Johnson	Cllr NM Koloti
Mr J Masike	Cllr VC Tafita	

Accounting Officer

Mr SN Tyatya

Chief Financial Officer

Me MM Jansen

Grading of Local Authority

Grade 10

External Auditors

Auditor General

Bank

Nedbank

Registered Office

Dan Tloome Complex
35 Wolmarans Street
Potchefstroom
2520

P/Bag x1253
Potchefstroom
2520

Tel: 018 299 5001
Fax: 018 294 8203

TLOKWE CITY COUNCIL GROUP
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
for the year ended 30 JUNE 2011
REPORT OF THE CHIEF FINANCIAL OFFICER

1. INTRODUCTION

These consolidated annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003). The standards and pronouncements that form the GRAP Reporting Framework for the 2010/11 financial period is set out in Directive 5 Issued by the Accounting Standards Board (ASB) on 11 March 2009.

Despite having instituted various control measures in order to improve the overall financial results of the municipality, the collection of arrear debt remains a challenge. The increase in the debtors book together with the increased number of indigent customers is indicative of the poverty that exists within the municipal area. However, the ongoing reviewing and monitoring of debt collection performance is expected to result in an improvement in the collection of arrears.

2. KEY FINANCIAL INDICATORS

The following indicators give some insight into the financial results of the year under review.

Financial Statement Ratios (Tlokwe Local Municipality):

INDICATOR	TLOKWE LOCAL MUNICIPALITY	
	2011	2010
Surplus / (Deficit) before Appropriations	41 155 935	77 184 622
Surplus / (Deficit) at the end of the Year	1 777 536 571	1 736 770 855
Expenditure Categories as a percentage of Total Expenses:		
Employee Related Costs	31.97%	32.33%
Remuneration of Councillors	1.66%	1.77%
Depreciation and Amortisation	4.93%	3.61%
Impairment Losses	2.60%	2.27%
Interest Paid	0.50%	0.73%
Bulk Purchases	30.89%	27.63%
Contracted Services	4.66%	6.53%
Grants and Subsidies Paid	4.64%	4.15%
General Expenses	14.59%	20.97%
Loss with Sale / Transfer of Assets	3.56%	0.00%
Current Ratio:		
Creditors Days	67	44
Debtors Days	60	60

Financial Statement Ratios (Group):

INDICATOR	GROUP	
	2011	2010
Surplus / (Deficit) before Appropriations	41 187 608	77 185 062
Surplus / (Deficit) at the end of the Year	1 777 568 684	1 736 771 295
Expenditure Categories as a percentage of Total Expenses:		
Employee Related Costs	31.97%	32.33%
Remuneration of Councillors	1.66%	1.77%
Depreciation and Amortisation	4.93%	3.61%
Impairment Losses	2.60%	2.27%
Interest Paid	0.50%	0.73%
Bulk Purchases	30.89%	27.63%
Contracted Services	4.66%	6.53%
Grants and Subsidies Paid	4.64%	4.15%
General Expenses	14.59%	20.97%
Loss with Sale / Transfer of Assets	3.56%	0.00%
Current Ratio:		
Creditors Days	67	44
Debtors Days	60	60

3. OPERATING RESULTS

Details of the operating results per segmental classification of expenditure are included in Appendix "D".

The overall operating results for the year ended 30 June 2011 are as follows:

DETAILS	Actual 2010/2011 R	Actual 2009/2010 R	Percentage Variance %	Budgeted 2010/2011 R	Variance actual/ budgeted %
Income:					
Operating income for the year	716 809 235	678 920 172	5.58%	724 576 355.00	-1.07%
	716 809 235	678 920 172	5.58%	724 576 355.00	-1.07%
Expenditure:					
Operating expenditure for the year	675 653 299	601 735 550	12.28%	669 779 332.00	0.88%
	675 653 299	601 735 550	12.28%	669 779 332.00	0.88%

3.1 Rates and General Services:

Rates and General Services are all types of services rendered by the municipality, excluding those listed below. The main income sources are Assessment Rates and Sundry Fees levied.

DETAILS	Actual 2010/2011 R	Actual 2009/2010 R	Percentage Variance %	Budgeted 2010/2011 R	Variance actual/ budgeted %
Income	176 831 738	188 721 674	(6.30)%	150 204 480	17.73%
Expenditure	102 533 860	90 536 052	13.25%	76 291 849	34.40%
Surplus / (Deficit)	74 297 878	98 185 622	(24.33)%	73 912 631	
Surplus / (Deficit) as % of total income	42.02%	52.03%		49.21%	

3.2 Housing Services:

Housing Services are services rendered by the municipality to supply housing to the community and includes the rental of units owned by the municipality to public and staff. The main income source is the levying of Housing Rentals.

DETAILS	Actual 2010/2011 R	Actual 2009/2010 R	Percentage Variance %	Budgeted 2010/2011 R	Variance actual/ budgeted %
Income	2 245 938	2 053 439	-	-	-
Expenditure	12 161 922	12 889 699	(5.65)%	3 472 633	250.22%
Surplus / (Deficit)	(9 915 984)	(10 836 260)	(8.49)%	(3 472 633)	
Surplus / (Deficit) as % of total income	100%	100%		100%	

3.3 Refuse Services:

Refuse Services are services rendered by the municipality for the collection and disposal of refuse. Income is mainly generated from the levying of fees and tariffs determined by the council.

DETAILS	Actual 2010/2011 R	Actual 2009/2010 R	Percentage Variance %	Budgeted 2010/2011 R	Variance actual/ budgeted %
Income	20 889 410	17 181 291	21.58%	25 330 748	(17.53)%
Expenditure	22 079 487	25 611 772	(13.79)%	24 290 380	(9.10)%
Surplus / (Deficit)	(1 190 077)	(8 430 481)	(85.88)%	1 040 368	
Surplus / (Deficit) as % of total income	(5.70)%	(49.07)%		4.11%	

3.4 Electricity Services:

Electricity is bought in bulk from Eskom and distributed to the consumers by the municipality. The cost of bulk purchases to the municipality was R202 565 784 (2009/2010: R162 236 942). Tariffs levied for electricity are subject to administered adjustments.

DETAILS	Actual 2010/2011 R	Actual 2009/2010 R	Percentage Variance %	Budgeted 2010/2011 R	Variance actual/ budgeted %
Income	362 911 625	297 475 308	22.00%	274 970 878	31.98%
Expenditure	244 177 496	200 380 178	21.86%	200 168 446	21.99%
Surplus / (Deficit)	118 734 129	97 095 130	22.29%	74 802 432	
Surplus / (Deficit) as % of total income	32.72%	32.64%		27.20%	

3.5 Water Services:

Water is bought in bulk from the Department of Water and distributed to the consumers by the municipality. The cost of bulk purchases to the municipality was R6 143 542 (2009/2010: R4 026 435). Tariffs levied for water are subject to administered adjustments.

DETAILS	Actual 2010/2011 R	Actual 2009/2010 R	Percentage Variance %	Budgeted 2010/2011 R	Variance actual/ budgeted %
Income	98 232 647	98 048 622	0.19%	56 422 194	74.10%
Expenditure	50 809 788	43 614 167	16.50%	34 507 713	47.24%
Surplus / (Deficit)	47 422 859	54 434 455	(12.88)%	21 914 481	
Surplus / (Deficit) as % of total income	48.28%	55.52%		38.84%	

3.6 Sewerage Services:

Sewerage Services are services rendered by the municipality for the purifying and disposal sewerage. Income is mainly generated from the levying of fees and tariffs determined by the council.

DETAILS	Actual 2010/2011 R	Actual 2009/2010 R	Percentage Variance %	Budgeted 2010/2011 R	Variance actual/ budgeted %
Income	37 090 390	33 952 569	9.24%	37 723 906	(1.68)%
Expenditure	20 880 266	18 940 623	10.24%	20 557 799	1.57%
Surplus / (Deficit)	16 210 124	15 011 946	7.98%	17 166 107	
Surplus / (Deficit) as % of total income	43.70%	44.21%		45.50%	

4. FINANCING OF CAPITAL EXPENDITURE

The expenditure on Property, Plant and Equipment during the year amounted to R 81 605 002 (2009/2010: 79 809 325). Full details of Property, Plant and Equipment are disclosed in Note 7 and appendices "B, C and E (2)" to the Consolidated Annual Financial Statements.

5. RECONCILIATION OF BUDGET TO ACTUAL

5.1 Operating Budget (Tlokwe Local Municipality):

DETAILS	TLOKWE LOCAL MUNICIPALITY	
	2011	2010
<i>Variance per Category:</i>		
Budgeted surplus before appropriations	54 797 023	8 969
Revenue variances	(7 767 120)	109 619 119
Expenditure variances:		
Employee Related Costs	(4 125 995)	(13 435 212)
Remuneration of Councillors	36 964	238 291
Depreciation and Amortisation	(3 624 943)	4 951 359
Impairment Losses	(8 549 168)	(9 656 504)
Interest Paid	7 456 824	1 218 353
Bulk Purchases	10 278 854	508 250
Contracted Services	4 720 677	2 918 618
Grants and Subsidies Paid	(6 013 129)	(3 643 147)
General Expenses	17 990 948	(15 543 474)
Sale / Transfer of Assets	(24 045 000)	-
Actual surplus before appropriations	41 155 935	77 184 622

Details of the operating results per segmental classification of expenditure are included in Appendix "D", whilst operational results per category of expenditure, together with a cryptic explanation of significant variances of more than 10% from budget, are included in Appendix "E (1)".

5.1.1. Operating Budget (Group):

DETAILS	GROUP	
	2011	2010
<i>Variance per Category:</i>		
Budgeted surplus before appropriations	54 797 023	8 969
Revenue variances	(7 767 120)	109 619 119
Expenditure variances:		
Employee Related Costs	(4 125 995)	(13 435 212)
Remuneration of Councillors	36 964	238 291
Depreciation and Amortisation	(3 624 943)	4 951 359
Impairment Losses	(8 549 168)	(9 656 504)
Interest Paid	7 456 824	1 218 353
Bulk Purchases	10 278 854	508 250
Contracted Services	4 720 677	2 918 618
Grants and Subsidies Paid	(6 013 129)	(3 643 147)
General Expenses	17 990 948	(15 543 474)
Sale / Transfer of Assets	(24 045 000)	-
Actual surplus before appropriations	41 155 935	77 184 622

5.2 Capital Budget (Tlokwe Local Municipality):

DETAILS	Actual 2010/2011 R	Actual 2009/2010 R	Variance actual 2010/11 / 2009/10 R	Budgeted 2010/2011 R	Variance actual/ budgeted R
Executive and Council	1 036 769	167 010	869 759	1 071 415	(34 646)
Finance and Administration	1 562 287	18 852 561	(17 290 274)	1 656 491	(94 204)
Planning and Development	439 806	186 306	253 500	442 674	(2 868)
Health	-	-	-	-	-
Community and Social Services	6 351 980	6 248 594	103 386	6 667 254	(315 274)
Housing	43 327	14 073	29 254	46 150	(2 823)
Public Safety	2 355 823	31 840	2 323 984	2 569 829	(214 006)
Sport and Recreation	-	1 716 732	(1 716 732)	-	-
Waste Management	1 163 606	7 972 841	(6 809 235)	3 400 000	(2 236 394)
Roads and Transport	33 471 767	23 043 982	10 427 785	52 131 153	(18 659 386)
Water	121 614	10 963 358	(10 841 744)	135 359	(13 745)
Electricity	34 656 727	10 607 838	24 048 889	43 438 158	(8 781 431)
Other	401 296	4 190	397 106	413 117	(11 821)
	81 605 002	79 809 325	1 795 677	111 971 600	(30 366 598)

Details of the results per segmental classification of capital expenditure are included in Appendix "C", together with a cryptic explanation of significant variances of more than 10% from budget, are included in Appendix "E (2)".

5.2.1. Capital Budget (Group):

DETAILS	Actual 2010/2011 R	Actual 2009/2010 R	Variance actual 2010/11 / 2009/10 R	Budgeted 2010/2011 R	Variance actual/ budgeted R
Executive and Council	1 036 769	167 010	869 759	1 071 415	(34 646)
Finance and Administration	1 562 287	18 852 561	(17 290 274)	1 656 491	(94 204)
Planning and Development	439 806	186 306	253 500	442 674	(2 868)
Health	-	-	-	-	-
Community and Social Services	6 351 980	6 248 594	103 386	6 667 254	(315 274)
Housing	43 327	14 073	29 254	46 150	(2 823)
Public Safety	2 355 823	31 840	2 323 984	2 569 829	(214 006)
Sport and Recreation	-	1 716 732	(1 716 732)	-	-
Waste Management	1 163 606	7 972 841	(6 809 235)	3 400 000	(2 236 394)
Roads and Transport	33 471 767	23 043 982	10 427 785	52 131 153	(18 659 386)
Water	121 614	10 963 358	(10 841 744)	135 359	(13 745)
Electricity	34 656 727	10 607 838	24 048 889	43 438 158	(8 781 431)
Other	401 296	4 190	397 106	413 117	(11 821)
	81 605 002	79 809 325	1 795 677	111 971 600	(30 366 598)

6. ACCUMULATED SURPLUS

The balance of the Accumulated Surplus as at 30 June 2011 amounted to R 1 777 536 571 (30 June 2010: R1 736 770 855) and is made up as follows:

	TLOKWE LOCAL MUNICIPALITY	GROUP
Capital Replacement Reserve	63 377 148	63 377 148
Accumulated Surplus	<u>1 714 159 423</u>	<u>1 714 191 536</u>
	<u><u>1 777 536 571</u></u>	<u><u>1 777 568 684</u></u>

The Capital Replacement Reserve replaces the previous statutory funds, like the Capital Development Fund, and is a cash-backed reserve established to enable the municipality to finance future capital expenditure. Cash contributions, depending on the availability of cash, is made annually to the reserve.

The municipality, in conjunction with its own capital requirements and external funds (external loans and grants) is able to finance its annual infrastructure capital programme.

Refer to the Statement of Change in Net Assets for more detail.

7. LONG-TERM LIABILITIES

The outstanding amount of Long-term Liabilities as at 30 June 2011 was R21 007 586 (30 June 2010: R21 919 518).

Refer to Note 17 and Appendix "A" for more detail.

8. NON-CURRENT PROVISIONS

Non-current Provisions amounted to R117 181 698 as at 30 June 2011 (30 June 2010: R99 324 160) and is made up as follows:

	TLOKWE LOCAL MUNICIPALITY	GROUP
Provision for Post-retirement Health Care Benefits Liability	101 095 956	101 095 956
Provision for Long-term Service Awards	8 081 680	8 081 680
Provision for Rehabilitation of Landfill Sites	<u>8 004 062</u>	<u>8 004 062</u>
	<u><u>117 181 698</u></u>	<u><u>117 181 698</u></u>

These provisions are made in order to enable the municipality to be in a position to fulfil its known legal obligations when they become due and payable.

Refer to Note 18 for more detail.

9. CURRENT LIABILITIES

Current Liabilities amounted to R156 694 379 as at 30 June 2011 (30 June 2010: R102 073 234) and is made up as follows:

		TLOKWE LOCAL MUNICIPALITY	GROUP
Consumer Deposits	Note 12	10 757 649	10 757 649
Provisions	Note 13	8 434 620	8 434 620
Creditors	Note 14	124 750 001	124 750 001
Unspent Conditional Grants and Receipts	Note 15	11 869 742	11 869 742
Current Portion of Long-term Liabilities	Note 17	882 367	882 367
		<u>156 694 379</u>	<u>156 694 379</u>

Current Liabilities are those liabilities of the municipality due and payable in the short-term (less than 12 months). There is no known reason as to why the municipality will not be able to meet its obligations.

Refer to the indicated Notes for more detail.

10. PROPERTY, PLANT AND EQUIPMENT

The net value of Property, Plant and Equipment was R977 568 015 as at 30 June 2011 (30 June 2010: R930 929 624).

Refer to Note 7 and Appendices "B, C and E (2)" for more detail.

11. INTANGIBLE ASSETS

The net value of Intangible Assets amounted to R126 472 as at 30 June 2011. (30 June 2010: R188 589)

Refer to Note 8 for more detail.

12. INVESTMENTS

The municipality held Investments to the value of R - (2010: R31 163 860).

The bulk of these investments are ring-fenced for purposes of the Capital Replacement Reserve, Unspent Conditional Grants and security for Long-term Liabilities, with the result that no significant amounts are available for own purposes.

Refer to Note 10 for more detail.

13. LONG-TERM RECEIVABLES

Long-term Receivables amounted to R45 268 (2010: R4 023 024) and is made up as follows:

	TLOKWE LOCAL MUNICIPALITY	GROUP
Sale of Erven	45 268	45 268
Capitalised Arrear Services	-	-
	<u>45 268</u>	<u>45 268</u>
Less: Short-term portion included in Current Assets	-	-
	<u>45 268</u>	<u>45 268</u>

Refer to Note 11 for more detail.

14. CURRENT ASSETS

Current Assets amounted R1 082 742 521 as at 30 June 2011 (30 June 2010: R981 686 972) and is made up as follows:

		TLOKWE LOCAL MUNICIPALITY	GROUP
Inventory	Note 2	739 947 363	739 947 363
Trade Receivables from Exchange Transactions	Note 4	91 075 866	91 075 866
Trade Receivables from Non-Exchange Transactions	Note 5	53 235 073	53 235 073
Cash and Cash Equivalents	Note 6	189 657 219	189 657 219
		<u>1 082 742 521</u>	<u>1 082 742 521</u>

Refer to the indicated Notes for more detail.

Current Assets amounted R1 082 742 521 as at 30 June 2011 (30 June 2010: R981 686 972) and is made up as follows:

		TLOKWE LOCAL MUNICIPALITY	GROUP
Inventory	Note 2	739 947 363	739 947 363
Trade Receivables from Exchange Transactions	Note 4	91 075 866	91 075 866
Trade Receivables from Non-Exchange Transactions	Note 5	53 235 073	53 235 073
Cash and Cash Equivalents	Note 6	189 657 219	189 657 219
		<u>1 082 742 521</u>	<u>1 082 742 521</u>

Refer to the indicated Notes for more detail.

15. INTER-GOVERNMENTAL GRANTS

The municipality is dependent on financial aid from other government spheres to finance its annual capital programme. Operating grants are utilised to finance indigent assistance and provision of free basic services.

Refer to Notes 15,26 and 34, and Appendix "F" for more detail.

16. EVENTS AFTER THE REPORTING DATE

Full details of all known events, if any, after the reporting date are disclosed in No. 48.

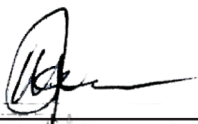
17. GENERAL RECOGNISED ACCOUNTING PRACTICE (GRAP)

In order to adhere to principles and procedures prescribed by law and the directions of National Treasury, the Consolidated Annual Financial Statements have been converted to the new reporting GRAP-format and is now presented as such on a continuous basis.

The unbundling process was carried out as at 30 June 2011, with the result that no comparative figures are available for e.g. the Consolidated Statement of Financial Performance and the Consolidated Cash Flow Statement. However, it was endeavoured to supply as much information as possible.

18. EXPRESSION OF APPRECIATION

We are grateful to the Executive Mayor, members of the Mayoral Committee, Councillors, the Municipal Manager and Heads of Departments for the support extended during the financial year. A special word of thanks to all staff in the Finance Department, for without their assistance these Consolidated Annual Financial Statements would not have been possible.



 CHIEF FINANCIAL OFFICER
 31 August 2011

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS 30 JUNE 2011
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2011

TLOKWE LOCAL MUNICIPALITY

GROUP

	Note	2011 R	2010 R	2011 R	2010 R
ASSETS					
Current Assets		1 082 742 521	981 686 972	1 083 934 786	982 018 272
Inventory	2	739 947 363	761 794 926	739 947 363	761 794 926
Non-current Assets Held-for-Sale	3	8 827 000	9 097 000	8 827 000	9 097 000
Trade Receivables from Exchange Transactions	4	91 075 866	84 966 975	91 112 946	84 966 975
Trade Receivables from Non-Exchange Transactions	5	53 235 073	47 413 505	53 235 073	47 413 505
Cash and Cash Equivalents	6	189 657 219	78 182 085	190 812 404	78 513 385
Current Portion of Long-term Receivables	11	-	232 480	-	232 480
Non-Current Assets		1 002 159 755	990 492 618	1 002 159 755	990 492 618
Property, Plant and Equipment	7	977 568 015	930 929 624	977 568 015	930 929 624
Intangible Assets	8	126 472	188 589	126 472	188 589
Investment Property	9	24 420 000	24 420 000	24 420 000	24 420 000
Non-current Investments	10	-	31 163 860	-	31 163 860
Long-term Receivables	11	45 268	3 790 544	45 268	3 790 544
Total Assets		2 084 902 276	1 972 179 589	2 086 094 541	1 972 510 889
LIABILITIES					
Current Liabilities		156 694 379	102 073 234	156 701 721	102 403 994
Consumer Deposits	12	10 757 649	9 902 512	10 757 649	9 902 512
Provisions	13	8 434 620	6 147 102	8 434 620	6 147 102
Creditors	14	124 750 001	71 886 836	124 757 343	72 217 596
Unspent Conditional Grants and Receipts	15	11 869 742	12 893 257	11 869 742	12 893 257
Short-term Loans	16	-	475 583	-	475 583
Current Portion of Long-term Liabilities	17	882 367	767 944	882 367	767 944
Non-Current Liabilities		138 189 284	121 243 678	138 189 284.20	121 243 678
Long-term Liabilities	17	21 007 586	21 919 518	21 007 586	21 919 518
Non-current Provisions	18	117 181 698	99 324 160	117 181 698	99 324 160
Total Liabilities		294 883 663	223 316 912	294 891 005	223 647 672
Total Assets and Liabilities		1 790 018 613	1 748 862 678	1 791 203 536	1 748 863 218
NET ASSETS		1 790 018 613	1 748 862 678	1 791 203 536	1 748 863 218
Share Capital	19	-	-	1 152 810	100
Statutory Funds	20	12 482 043	12 091 822	12 482 043	12 091 822
Accumulated Surplus / (Deficit)	21	1 777 536 571	1 736 770 855	1 777 568 684	1 736 771 295
Total Net Assets		1 790 018 613	1 748 862 678	1 791 203 536	1 748 863 218

TLOKWE CITY COUNCIL GROUP
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011							
TLOKWE LOCAL MUNICIPALITY BUDGET			TLOKWE LOCAL MUNICIPALITY			GROUP	
2010 R	2011 R		Note	2011 R	2010 R	2011 R	2010 R
		REVENUE					
		Revenue from Non-exchange Transactions					
77 464 960	79 402 332	Property Rates	22	80 360 659	73 776 606	80 360 659	73 776 606
12 072 867	12 075 000	Fines		6 854 447	17 816 579	6 854 447	17 816 579
2 530 000	2 150 000	Licences and Permits		5 087 302	4 693 632	5 087 302	4 693 632
261 250	250 000	Income for Agency Services		334 130	118 155	334 130	118 155
61 216 230	126 921 062	Government Grants and Subsidies Received	26	105 086 499	98 800 837	105 086 499	98 800 837
		Revenue from Exchange Transactions					
6 400 000	3 500 000	Interest Earned - External Investments	23	8 526 311	9 366 552	8 526 311	9 367 092
17 000 000	18 000 000	Interest Earned - Outstanding Debtors	23	15 542 059	16 214 287	15 542 059	16 214 287
379 680 644	470 747 451	Service Charges	24	476 112 036	440 479 109	476 112 036	440 479 109
3 898 626	3 917 960	Rental of Facilities and Equipment	25	4 820 234	4 138 919	4 820 234	4 138 919
8 858 476	16 907 543	Other Income	27	14 085 558	13 515 237	14 124 573	13 515 237
(82 000)	(9 294 993)	Revenue Foregone		-	260	-	260
569 301 053	724 576 355	Total Revenue		716 809 235	678 920 172	716 848 250	678 920 712
		EXPENDITURE					
181 084 467	211 849 299	Employee Related Costs	28	215 975 294	194 519 679	215 975 294	194 519 679
10 916 249	11 284 398	Remuneration of Councillors	29	11 247 434	10 677 958	11 247 434	10 677 958
26 688 076	29 698 786	Depreciation and Amortisation	30	33 323 729	21 736 717	33 323 729	21 736 717
4 000 000	9 000 000	Impairment Losses	31	17 549 168	13 656 504	17 549 168	13 656 504
5 606 500	10 840 612	Finance Costs	32	3 383 788	4 388 147	3 383 788	4 388 147
166 771 626	218 988 180	Bulk Purchases	33	208 709 326	166 263 376	208 709 326	166 263 376
42 221 747	36 208 087	Contracted Services		31 487 410	39 303 129	31 487 410	39 303 129
21 334 438	25 352 335	Grants and Subsidies Paid	34	31 365 464	24 977 585	31 365 464	24 977 585
110 668 981	116 557 635	General Expenses & Maintenance	35	98 566 687	126 212 455	98 574 029	126 212 555
-	-	Loss with Sale / Transfer of Assets		24 045 000	-	24 045 000	-
569 292 084	669 779 332	Total Expenditure		675 653 299	601 735 550	675 660 641	601 735 650
8 969	54 797 023	SURPLUS / (DEFICIT) FOR THE YEAR		41 155 935	77 184 622	41 187 608	77 185 062

Refer to Appendix E(1) for explanation of budget variances

Include details of restatement of prior year figures, due to errors & changes in accounting policies

Ex. The prior year's comparative figures for finance cost have been restated due to the recording of a correction of error. Please refer to notes 37 for detail of the restatements mentioned.

TLOKWE CITY COUNCIL GROUP
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2011

Description	TLOKWE LOCAL MUNICIPALITY			GROUP				
	Housing Development Fund	Total for Accumulated Surplus/(Deficit) Account	Total	Housing Development Fund	Share Capital	Share Premium	Total for Accumulated Surplus/(Deficit) Account	Total
	R	R	R	R	R	R	R	R
2009								
Balance at 30 JUNE 2009	11 897 965	437 618 159	449 516 124	11 897 965	-	-	437 618 159	449 516 124
Correction of Error (Note 37)	-	1 222 161 932	1 222 161 932	-	-	-	1 222 161 931.91	1 222 161 931.91
Balance at 30 JUNE 2009	11 897 965	1 659 780 091	1 671 678 056	11 897 965	-	-	1 659 780 091	1 671 678 056
2010								
Surplus / (Deficit) for the year	-	77 184 622	77 184 622	-	-	-	77 185 062	77 185 062
Transfer from Housing Development Fund	193 857	(193 857)	-	193 857	-	-	(193 857)	-
Issue of shares	-	-	-	-	100	-	-	100
Balance at 30 JUNE 2010	12 091 822	1 736 770 856	1 748 862 678	12 091 822	100	-	1 736 771 296	1 748 863 218
2011								
Restated Balance	12 091 822	1 736 770 856	1 748 862 678	12 091 822	100	-	1 736 771 296	1 748 863 218
Surplus / (Deficit) for the year	-	41 155 935	41 155 935	-	-	-	41 187 608	41 187 608
Transfer from Housing Development Fund	390 220	(390 220)	-	390 220	-	-	(390 220)	-
Issue of shares	-	-	-	-	256	1 152 554	-	1 152 810
Shares Cancelled	-	-	-	-	(100)	-	-	(100)
Balance at 30 JUNE 2011	12 482 043	1 777 536 571	1 790 018 613	12 482 043	256	1 152 554	1 777 568 684	1 791 203 536

Details on the movement of the Funds and Reserves are set out in Note 19,20 & 21

TLOKWE CITY COUNCIL GROUP
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

		TLOKWE LOCAL MUNICIPALITY		GROUP	
	Note	2011 R	2010 R	2011 R	2010 R
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from Ratepayers, Government and Other		677 198 666	637 491 697	677 198 766	637 822 357
Cash paid to Suppliers and Employees		(538 671 637)	(585 953 957)	(539 032 135)	(585 953 957)
Cash generated from / (utilised in) Operations	38	138 527 029	51 537 740	138 166 631	51 868 400
Interest received	23	24 068 370	25 580 839	24 107 285	25 581 379
Interest paid	32	(3 383 788)	(5 229 878)	(3 383 788)	(5 229 878)
Tax paid		-	-	(7 342)	-
NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		159 211 611	71 888 701	158 882 786	72 219 901
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment	7	(81 605 002)	(79 809 325)	(81 605 002)	(79 809 325)
(Increase) / decrease in Non-current Investments	9	31 163 860	6 908 980	31 163 860	6 908 980
(Increase) / decrease in Long-term Receivables	11	3 977 756	1 555 040	3 977 756	1 555 040
NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		(46 463 386)	(71 345 304)	(46 463 386)	(71 345 304)
CASH FLOWS FROM FINANCING ACTIVITIES					
Loans obtained	16	(475 583)	475 583	(475 583)	475 583
Loans repaid	17	(797 508)	(385 096)	(797 508)	(385 096)
Proceeds on share issue	19	-	-	1 152 710	100
NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		(1 273 091)	90 487	(120 381)	90 587
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	6	111 475 134	633 883	112 299 019	965 183
Cash and Cash Equivalents at the beginning of the year		78 182 085	77 548 202	78 513 385	77 548 202
Cash and Cash Equivalents at the end of the year		189 657 219	78 182 085	190 812 404	78 513 385

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1. GENERAL INFORMATION

Tlokwe Municipality is a local government institution in Potchefstroom, North West Province. The addresses of its registered office and principal place of business are disclosed under "General Information" included in the Consolidated Annual Financial Statements and in the introduction and overview of the Annual Report. The principal activities of the municipality are disclosed in the Annual Report and are prescribed by the Constitution.

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011	2010	2011	2010
	R	R	R	R
2. INVENTORY				
Stores - at cost	12 388 949	12 198 100	12 388 949	12 198 100
Land Stock	727 383 060	749 453 060	727 383 060	749 453 060
Water - at Cost	175 354	143 767	175 354	143 767
Total Inventory	739 947 363	761 794 926	739 947 363	761 794 926
Reconciliation				
Opening Balance	13 174 126	15 769 041	13 174 126	15 769 041
Stock received	12 239 247	10 578 825	12 239 247	10 578 825
Stock issued	(13 024 424)	(13 173 741)	(13 024 424)	(13 173 741)
Closing Balance	12 388 949	13 174 126	12 388 949	13 174 126

This reconciliation consists of consumables stores, maintenance materials and spare parts.

Inventory has been restated to adhere to the disclosure provisions for Assets classified as Held-for-Sale. Refer to Note 37 on "Correction of Error" for details of the restatement.

Inventories are held for own use with the result that no write downs of Inventory to Net Realisable Value were required.

Inventory is net of specific provisions for obsolescence.

Inventory deficits to the value of R2,8 million (2010: R2,35 million) and inventory surpluses to the value of R1,7 million (2010: R1,25 million) was identified at year end. This resulted in inventory being decreased with a net amount of R1,1 million at year end.

	TLOKWE LOCAL MUNICIPALITY		GROUP	
3. NON-CURRENT ASSETS HELD-FOR-SALE				
Property Held-for-Sale - at cost	8 827 000	9 097 000	8 827 000	9 097 000
Total Assets classified as Held-for-Sale	8 827 000	9 097 000	8 827 000	9 097 000
Liabilities associated with Assets classified as Held-for-Sale	-	-	-	-
Net Assets classified as Held-for-Sale	8 827 000	9 097 000	8 827 000	9 097 000

3.1 Property Held-for-Sale

The municipality intends to dispose of a parcel of land it no longer utilises in the next few months.

4. TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS

	TLOKWE LOCAL MUNICIPALITY		
	Gross	Provision for	Net
	Balances	Impairment	Balances
As at 30 JUNE 2011			
Service Debtors:	83 565 956	35 223 769	48 342 187
Electricity	48 132 206	20 442 949	27 689 257
Refuse	6 296 373	2 667 721	3 628 652
Sewerage	9 101 750	3 759 055	5 342 695
Water	20 035 627	8 354 044	11 681 583
Other Debtors	73 924 527	31 190 847	42 733 679
Total Trade Receivables From Exchange Transactions	157 490 482	66 414 616	91 075 866

TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS

	GROUP		
	Gross	Provision for	Net
	Balances	Impairment	Balances
As at 30 JUNE 2011			
Service Debtors:	83 565 956	35 223 769	48 342 187
Electricity	48 132 206	20 442 949	27 689 257
Refuse	6 296 373	2 667 721	3 628 652
Sewerage	9 101 750	3 759 055	5 342 695
Water	20 035 627	8 354 044	11 681 583
Other Debtors	73 961 607	31 190 847	42 770 759
Total Trade Receivables From Exchange Transactions	157 527 562	66 414 616	91 112 946

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	TLOKWE LOCAL MUNICIPALITY		
	Gross Balances	Provision for Impairment	Net Balances
As at 30 JUNE 2010			
Service Debtors:	81 829 659	39 190 141	42 639 518
Electricity	39 355 193	18 848 124	20 507 069
Refuse	7 123 474	3 411 599	3 711 876
Sewerage	9 387 785	4 496 030	4 891 755
Water	25 963 207	12 434 388	13 528 819
Other Debtors	79 268 887	36 941 430	42 327 457
Total Trade Receivables From Exchange Transactions	161 098 546	76 131 570	84 966 975

	GROUP		
	Gross Balances	Provision for Impairment	Net Balances
As at 30 JUNE 2010			
Service Debtors:	81 829 659	39 190 141	42 639 518
Electricity	39 355 193	18 848 124	20 507 069
Refuse	7 123 474	3 411 599	3 711 876
Sewerage	9 387 785	4 496 030	4 891 755
Water	25 963 207	12 434 388	13 528 819
Other Debtors	79 268 887	36 941 430	42 327 457
Total Trade Receivables From Exchange Transactions	161 098 546	76 131 570	84 966 975

Consumer debtors are billed monthly, normally on the 23 rd of each month. No interest is charged on trade receivables until the 7th of the following month. Thereafter interest is charged at a rate determined by council on the outstanding balance. A credit control By-law has been approved by council to ensure recovery of Consumer debtors.

The municipality receives applications for water and electricity connections that it processes. Deposits are required to be paid for all water and electricity accounts opened.

The management of the municipality is of the opinion that the carrying value of Consumer Debtors approximate their fair values.

The fair value of Consumer Debtors was determined after considering the standard terms and conditions of agreements entered into between the municipality and Consumer Debtors as well as the current payment ratio's of the municipality's Consumer debtors.

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011 R	2010 R	2011 R	2010 R
4.1 Ageing of Consumer Debtors				
Electricity: Ageing				
<u>Current:</u>				
0 - 30 days	40 866 657	30 607 326	40 866 657	30 607 326
<u>Past Due:</u>				
31 - 60 Days	2 376 868	1 314 229	2 376 868	1 314 229
61 - 90 Days	545 217	654 465	545 217	654 465
91 - 120 Days	323 590	471 348	323 590	471 348
+ 120 Days	4 019 874	6 307 825	4 019 874	6 307 825
Total	48 132 206	39 355 193	48 132 206	39 355 193
Refuse: Ageing				
<u>Current:</u>				
0 - 30 days	1 479 508	1 193 747	1 479 508	1 193 747
<u>Past Due:</u>				
31 - 60 Days	396 869	321 961	396 869	321 961
61 - 90 Days	265 248	241 227	265 248	241 227
91 - 120 Days	213 092	205 168	213 092	205 168
+ 120 Days	3 941 655	5 161 372	3 941 655	5 161 372
Total	6 296 373	7 123 474	6 296 373	7 123 474
Sewerage: Ageing				
<u>Current:</u>				
0 - 30 days	2 408 264	2 068 667	2 408 264	2 068 667
<u>Past Due:</u>				
31 - 60 Days	613 723	466 845	613 723	466 845
61 - 90 Days	336 549	362 277	336 549	362 277
91 - 120 Days	256 043	330 801	256 043	330 801
+ 120 Days	5 487 172	6 159 194	5 487 172	6 159 194
Total	9 101 750	9 387 785	9 101 750	9 387 785
Water: Ageing				
<u>Current:</u>				
0 - 30 days	8 200 046	12 327 904	8 200 046	12 327 904
<u>Past Due:</u>				
31 - 60 Days	1 984 180	691 256	1 984 180	691 256
61 - 90 Days	494 946	541 684	494 946	541 684
91 - 120 Days	396 528	450 343	396 528	450 343
+ 120 Days	8 959 927	11 952 020	8 959 927	11 952 020
Total	20 035 627	25 963 207	20 035 627	25 963 207

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

4.2 Summary of Debtors by Customer Classification

	TLOKWE LOCAL MUNICIPALITY				
	Household	Industrial/ Commercial	National and Provincial Government	Other	Total
	R	R	R	R	R
As at 30 JUNE 2011					
<i>Current:</i>					
0 - 30 days	20 639 977	10 839 678	5 698 006	7 193 286	44 370 947
<i>Past Due:</i>					
31 - 60 Days	5 278 694	711 895	3 198 183	-	9 188 772
61 - 90 Days	3 426 081	789 563	625 163	-	4 840 807
+ 90 Days	3 021 981	381 383	391 028	-	3 794 392
+ 120 Days	83 479 309	7 234 406	4 581 849	-	95 295 564
Sub-total	115 846 042	19 956 925	14 494 229	7 193 286	157 490 482
Less: Provision for Impairment	51 191 044	8 818 737	6 404 834	-	66 414 616
Total Debtors Classification	64 654 998	11 138 188	8 089 395	7 193 286	91 075 866

	GROUP				
	Household	Industrial/ Commercial	National and Provincial Government	Other	Total
	R	R	R	R	R
As at 30 JUNE 2011					
<i>Current:</i>					
0 - 30 days	20 639 977	10 839 678	5 698 006	7 193 286	44 370 947
<i>Past Due:</i>					
31 - 60 Days	5 278 694	711 895	3 198 183	-	9 188 772
61 - 90 Days	3 426 081	789 563	625 163	-	4 840 807
+ 90 Days	3 021 981	381 383	391 028	-	3 794 392
+ 120 Days	83 479 309	7 234 406	4 581 849	-	95 295 564
Sub-total	115 846 042	19 956 925	14 494 229	7 193 286	157 490 482
Less: Provision for Impairment	51 191 044	8 818 737	6 404 834	-	66 414 616
Total Debtors Classification	64 654 998	11 138 188	8 089 395	7 193 286	91 075 866

	TLOKWE LOCAL MUNICIPALITY				
As at 30 JUNE 2010					
<i>Current:</i>					
0 - 30 days	20 438 380	9 313 217	4 380 727	28 867 236	62 999 560
<i>Past Due:</i>					
31 - 60 Days	3 709 693	627 888	845 015	-	5 182 596
61 - 90 Days	2 781 749	405 575	547 905	-	3 735 229
+ 90 Days	2 654 611	311 204	464 242	-	3 430 057
+ 120 Days	77 007 415	6 184 676	2 559 012	-	85 751 103
Sub-total	106 591 848	16 842 560	8 796 901	28 867 236	161 098 545
Less: Provision for Impairment	55 928 632	8 676 420	-	11 526 519	78 329 665
Total Debtors Classification	50 663 216	8 166 140	8 796 901	17 340 717	84 966 975

	GROUP				
As at 30 JUNE 2010					
<i>Current:</i>					
0 - 30 days	20 438 380	9 313 217	4 380 727	28 867 236	62 999 560
<i>Past Due:</i>					
31 - 60 Days	3 709 693	627 888	845 015	-	5 182 596
61 - 90 Days	2 781 749	405 575	547 905	-	3 735 229
+ 90 Days	2 654 611	311 204	464 242	-	3 430 057
+ 120 Days	77 007 415	6 184 676	2 559 012	-	85 751 103
Sub-total	106 591 848	16 842 560	8 796 901	28 867 236	161 098 545
Less: Provision for Impairment	55 928 632	8 676 420	-	11 526 519	78 329 665
Total Debtors Classification	50 663 216	8 166 140	8 796 901	17 340 717	84 966 975

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011 R	2010 R	2011 R	2010 R
4.3 Reconciliation of the Provision for Impairment				
Balance at beginning of year	76 131 570	78 329 665	76 131 570	78 329 665
Impairment Losses - Consumer Debtors	(10 744 950)	(1 175 764)	(10 744 950)	(1 175 764)
Impairment Losses - Arrangements	1 027 996	(1 022 331)	1 027 996	(1 022 331)
Balance at end of year	66 414 616	76 131 570	66 414 616	76 131 570

In determining the recoverability of debtors, the municipality has placed strong emphasis on verifying the indigent status of consumers. Provision for impairment of Consumer Debtors has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for Impairment.

In determining the recoverability of a Consumer Debtor, the municipality considers any change in the credit quality of the Consumer Debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

5. TRADE RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011 R	2010 R	2011 R	2010 R
Assessment Rates debtors	27 919 642	28 101 183	27 919 642	28 101 183
Payments made in Advance	72 610	304 332	72 610	304 332
Sundry Debtors	21 273 938	18 362 016	21 273 938	18 362 016
VAT	14 766 358	14 104 714	14 766 358	14 104 714
	<u>64 032 548</u>	<u>60 872 245</u>	<u>64 032 548</u>	<u>60 872 245</u>
Less: Provision for Impairment	(10 797 475)	(13 458 740)	(10 797 475)	(13 458 740)
Total Trade Receivables from Non-Exchange Transactions	<u>53 235 073</u>	<u>47 413 505</u>	<u>53 235 073</u>	<u>47 413 505</u>

VAT is payable on the receipts basis. Only once payment is received from debtors, VAT is paid over to SARS.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. The municipality has financial risk policies in place to ensure that payments are affected before the due date.

Other Debtors have been restated to correctly classify amounts to be included in Other Debtors. Refer to Note 37 on "Correction of Error" for details of the restatement.

	TLOKWE LOCAL MUNICIPALITY		
	Gross Balances	Provision for Impairment	Net Balances
As at 30 JUNE 2011			
Service Debtors:	27 919 642	10 797 475	38 717 117
Assessment Rates	<u>27 919 642</u>	<u>10 797 475</u>	<u>38 717 117</u>
Total Assessment Rates Debtors	<u>27 919 642</u>	<u>10 797 475.00</u>	<u>38 717 117</u>

	GROUP		
	Gross Balances	Provision for Impairment	Net Balances
As at 30 JUNE 2011			
Service Debtors:	27 919 642	10 797 475	38 717 117
Assessment Rates	<u>27 919 642</u>	<u>10 797 475</u>	<u>38 717 117</u>
Total Assessment Rates Debtors	<u>27 919 642</u>	<u>10 797 475.00</u>	<u>38 717 117</u>

	TLOKWE LOCAL MUNICIPALITY		
	Gross Balances	Provision for Impairment	Net Balances
As at 30 JUNE 2010			
Service Debtors:	28 101 183	13 458 742	14 642 441
Assessment Rates	<u>28 101 183</u>	<u>13 458 742</u>	<u>14 642 441</u>
Total Assessment Rates Debtors	<u>28 101 183</u>	<u>13 458 742</u>	<u>14 642 441</u>

	GROUP		
	Gross Balances	Provision for Impairment	Net Balances
As at 30 JUNE 2010			
Service Debtors:	28 101 183	13 458 742	14 642 441
Assessment Rates	<u>28 101 183</u>	<u>13 458 742</u>	<u>14 642 441</u>
Total Assessment Rates Debtors	<u>28 101 183</u>	<u>13 458 742</u>	<u>14 642 441</u>

5.1. Ageing of Consumer Debtors

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011 R	2010 R	2011 R	2010 R
Rates: Ageing				
<u>Current:</u>				
0 - 30 days	3 010 944	3 428 397	3 010 944	3 428 397
<u>Past Due:</u>				
31 - 60 Days	1 517 891	1 598 457	1 517 891	1 598 457
61 - 90 Days	1 254 191	1 286 903	1 254 191	1 286 903
91 - 120 Days	1 164 316	523 975	1 164 316	523 975
+ 120 Days	18 414 384	21 264 342	18 414 384	21 264 342
Total	<u>25 361 726</u>	<u>28 102 073</u>	<u>25 361 726</u>	<u>28 102 073</u>

5.2. Reconciliation of the Provision for Impairment

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011 R	2010 R	2011 R	2010 R
Balance at beginning of year	13 458 741	13 854 521	13 458 741	13 854 521
Impairment Losses - Consumer Debtors	(2 661 266)	(395 780)	(2 661 266)	(395 780)
Balance at end of year	<u>10 797 475</u>	<u>13 458 741</u>	<u>10 797 475</u>	<u>13 458 741</u>

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

6. CASH AND CASH EQUIVALENTS

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011	2010	2011	2010
	R	R	R	R
Bank, Cash and Cash Equivalents	92 579 615	17 678 632	92 579 615	17 678 632
Current Investment Deposits	97 077 604	60 503 453	98 232 789	60 834 753
Total Cash and Cash Equivalents	189 657 219	78 182 085	190 812 404	78 513 385

For the purposes of the Consolidated Statement of Financial Position and the Consolidated Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments, net of outstanding Bank Overdrafts.

6.1 Current Investment Deposits

Notice Deposits	97 077 604	60 503 453	98 232 789	60 834 753
Total Current Investment Deposits	97 077 604	60 503 453	98 232 789	60 834 753

Notice Deposits are investments with a maturity period of less than 12 months and earn interest rates varying from 5.50 % to 6.61 % per annum.

The Municipality has the following bank accounts:

6.2 Bank Accounts

Primary Bank Account

Absa Bank Limited (Potchefstroom) & Nedbank Bank Limited (Pretoria) - Account number 680000093 & 1497222400

Cash book balance at beginning of year	(3 332 268)	(12 825 267)	(3 332 268)	(12 825 267)
Cash book balance at end of year	<u>71 113 404</u>	<u>(3 332 268)</u>	<u>71 113 404</u>	<u>(3 332 268)</u>
Bank statement balance at beginning of year	33 021 361	13 823 889	33 021 361	13 823 889
Bank statement balance at end of year	<u>65 531 142</u>	<u>33 021 361</u>	<u>65 531 142</u>	<u>33 021 361</u>

The Cash book balance is indicating an overdraft however the Council do not have an overdraft facility; this overdraft is reconciled to the Bank Statement Balance.

Current Account (Housing Account)

Absa Bank Limited - Potchefstroom Branch - Account number 4055584178

Cash book balance at beginning of year	10 826 959	9 248 035	10 826 959	9 248 035
Cash book balance at end of year	<u>11 384 892</u>	<u>10 826 959</u>	<u>11 384 892</u>	<u>10 826 959</u>
Bank statement balance at beginning of year	9 333 776	8 901 455	9 333 776	8 901 455
Bank statement balance at end of year	<u>11 907 181</u>	<u>9 333 776</u>	<u>11 907 181</u>	<u>9 333 776</u>

Current Account (Council Grant Funds)

Absa Bank Limited - Potchefstroom Branch - Account number 4055583287

Cash book balance at beginning of year	9 697 216	8 901 455	9 697 216	8 901 455
Cash book balance at end of year	<u>10 053 641</u>	<u>9 697 216</u>	<u>10 053 641</u>	<u>9 697 216</u>
Bank statement balance at beginning of year	9 697 216	9 248 035	9 697 216	9 248 035
Bank statement balance at end of year	<u>10 053 641</u>	<u>9 697 216</u>	<u>10 053 641</u>	<u>9 697 216</u>

Current Account (Tlokwe Youth Centre)

Absa Bank Limited - Potchefstroom Branch - Account number 4073943415

Cash book balance at beginning of year	475 583	-	475 583	-
Cash book balance at end of year	<u>-</u>	<u>475 583</u>	<u>-</u>	<u>475 583</u>
Bank statement balance at beginning of year	475 583	-	475 583	-
Bank statement balance at end of year	<u>-</u>	<u>475 583</u>	<u>-</u>	<u>475 583</u>

6.3 Cash and Cash equivalents

Cash Floats and Advances	29 142	25 992	29 142	25 992
Other Cash Equivalents	(1 464)	(14 850)	(1 464)	(14 850)
Cash on hand in Cash Floats, Advances and Equivalents	27 679	11 142	27 679	11 142

The management of the municipality is of the opinion that the carrying value of Bank Balances, Cash and Cash Equivalents recorded at amortised cost in the Consolidated Annual Financial Statements approximate their fair values.

The fair value of Bank Balances, Cash and Cash Equivalents was determined after considering the standard terms and conditions of agreements entered into between the municipality and financial institutions.

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

7. PROPERTY, PLANT AND EQUIPMENT (TLOKWE LOCAL MUNICIPALITY)

30 JUNE 2011

Reconciliation of Carrying Value

Description	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing Development Fund	Leased Infra-structure	Total
	R	R	R	R	R	R	R	R
Carrying values at 01 JULY 2010	549 013 791	279 829 774	19 682 387	838 371	79 596 234	1 969 066	-	930 929 623
Cost	86 472 719	518 755 378	46 920 650	838 371	99 090 033	2 434 154	-	754 511 304
- Completed Assets	86 472 719	518 755 378	46 920 650	838 371	99 090 033	2 434 154	-	754 511 304
- Under Construction	-	-	-	-	-	-	-	-
Correction of error (Note 37)	-	-	-	-	-	-	-	-
Correction of opening balance Classification error (Note 3)	-	-	-	-	-	-	-	-
Revaluation	481 413 517	-	-	-	-	-	-	481 413 517
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Accumulated Depreciation:	(18 872 445)	(238 925 604)	(27 238 262)	-	(19 493 799)	(465 089)	-	(304 995 199)
- Cost	(18 872 445)	(238 925 604)	(27 238 262)	-	(19 493 799)	(465 089)	-	(304 995 199)
- Correction of error	-	-	-	-	-	-	-	-
Acquisitions	1 189 590	68 288 752	3 370 649	-	8 751 612	4 400	-	81 605 002
Revaluations	-	-	-	-	-	-	-	-
Capital under Construction - Additions	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Borrowing Costs Capitalised	-	-	-	-	-	-	-	-
Increases in Revaluation	-	-	-	-	-	-	-	-
Reversals of Impairment Losses	-	-	-	-	-	-	-	-
Depreciation:	(1 781 771)	(12 395 344)	(2 027 633)	-	(16 906 330)	(150 531)	-	(33 261 610)
- Based on Cost	(1 781 771)	(12 395 344)	(2 027 633)	-	(16 906 330)	(150 531)	-	(33 261 610)
- Disposals	-	-	-	-	-	-	-	-
Carrying value of Disposals:	(1 780 000)	-	-	-	-	-	-	(1 780 000)
- Cost	-	-	-	-	-	-	-	-
- Revaluation	(1 780 000)	-	-	-	-	-	-	(1 780 000)
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying value of Transfers to Held-for-Sale:	75 000.00	-	-	-	-	-	-	75 000.00
- Cost	75 000.00	-	-	-	-	-	-	75 000.00
- Revaluation	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Decreases in Revaluation	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-
Capital under Construction - Completed	-	-	-	-	-	-	-	-
Other Movements	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Transfer of Land	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying values at 30 JUNE 2011	546 716 609	335 723 182	21 025 403	838 371	71 441 516	1 822 935	-	977 568 015
Cost	85 957 309	587 044 130	50 291 299	838 371	107 841 645	2 438 554	-	834 411 307
- Completed Assets	85 957 309	587 044 130	50 291 299	838 371	107 841 645	2 438 554	-	834 411 307
- Under Construction	-	-	-	-	-	-	-	-
Revaluation	481 413 517	-	-	-	-	-	-	481 413 517
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Accumulated Depreciation:	(20 654 216)	(251 320 948)	(29 265 896)	-	(36 400 129)	(615 620)	-	(338 256 809)
- Cost	(20 654 216)	(251 320 948)	(29 265 896)	-	(36 400 129)	(615 620)	-	(338 256 809)
- Revaluation	-	-	-	-	-	-	-	-

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

7. PROPERTY, PLANT AND EQUIPMENT (TLOKWE LOCAL MUNICIPALITY) (Continued)

30 JUNE 2010

Reconciliation of Carrying Value

Description	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing Development Fund	Leased Infra-structure	Total
	R	R	R	R	R	R	R	R
Carrying values at 01 JULY 2009	512 750 915	236 214 876	16 105 580	838 371	108 574 536	1 987 235	-	876 471 513
Cost	60 410 924	436 184 478	42 347 702	830 779	99 090 033	454 219	-	639 318 135
- Completed Assets	60 410 924	436 184 478	42 347 702	830 779	99 090 033	454 219	-	639 318 135
- Under Construction	-	-	-	-	-	-	-	-
Correction of error (Note 37)	9 581 171	84 060 564	6 579 535	32 946	28 978 303	1 847 941	-	131 080 460
Correction of opening balance Classification error (Note 3)	-	-	-	-	-	-	-	-
Revaluation	481 413 517	-	-	-	-	-	-	481 413 517
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Accumulated Depreciation:	(38 654 698)	(284 030 166)	(32 821 657)	(25 354)	(19 493 799)	(314 925)	-	(375 340 599)
- Cost	(38 654 698)	(284 030 166)	(32 821 657)	(25 354)	(19 493 799)	(314 925)	-	(375 340 599)
- Write-Off	-	-	-	-	-	-	-	-
Acquisitions	120 716	51 512 452	5 023 557	-	23 152 600	-	-	79 809 325
Revaluations	-	-	-	-	-	-	-	-
Capital under Construction - Additions	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Borrowing Costs Capitalised	-	-	-	-	-	-	-	-
Increases in Revaluation	-	-	-	-	-	-	-	-
Reversals of Impairment Losses	-	-	-	-	-	-	-	-
Depreciation:	(1 452 824)	(7 800 312)	(1 446 112)	-	(10 981 659)	(18 169)	-	(21 699 076)
- Based on Cost	(1 452 824)	(7 800 312)	(1 446 112)	-	(10 981 659)	(18 169)	-	(21 699 076)
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying value of Disposals:	-	(97 241)	-	-	(708 767)	-	-	(806 008)
- Cost	-	(1 292 301)	-	-	(909 296)	-	-	(2 201 597)
- Revaluation	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	1 195 060	-	-	200 529	-	-	1 395 589
- Based on Cost	-	1 195 060	-	-	200 529	-	-	1 395 589
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying value of transfer Assets Held For Sale	(9 097 000)	-	-	-	-	-	-	(9 097 000)
- Cost	-	-	-	-	-	-	-	-
- Revaluation	(9 097 000)	-	-	-	-	-	-	(9 097 000)
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Decreases in Revaluation	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-
Capital under Construction - Completed	-	-	-	-	-	-	-	-
Other Movements	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Revaluation	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying values at 30 JUNE 2010	549 013 791	279 829 775	19 682 387	838 371	79 596 234	1 969 066	-	930 929 624
Cost	86 472 719	518 755 379	46 920 650	838 371	99 090 033	2 434 155	-	754 511 306
- Completed Assets	35 020 295	432 860 024	40 029 840	805 425	73 971 638	454 219	-	583 141 441
- Correction of error (Note 37)	51 452 424	85 895 355	6 890 810	32 946	25 118 395	1 979 936	-	171 369 865
Revaluation	481 413 517	-	-	-	-	-	-	481 413 517
Correction of error (Note 37)	-	-	-	-	-	-	-	-
Accumulated Depreciation:	(18 872 445)	(238 925 604)	(27 238 262)	-	(19 493 799)	(465 089)	-	(304 995 199)
- Cost	(18 568 177)	(237 090 813)	(26 926 350)	-	(23 265 728)	(333 093)	-	(306 184 161)
- Correction of error (Note 37)	(304 268)	(1 834 791)	(311 912)	-	3 771 929	(131 996)	-	1 188 962

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

7. PROPERTY, PLANT AND EQUIPMENT (GROUP)

30 JUNE 2011

Reconciliation of Carrying Value

Description	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing Development Fund	Leased Infra-structure	Total
	R	R	R	R	R	R	R	R
Carrying values at 01 JULY 2010	549 013 791	279 829 774	19 682 387	838 371	79 596 234	1 969 066	-	930 929 623
Cost	86 472 719	518 755 378	46 920 650	838 371	99 090 033	2 434 154	-	754 511 304
- Completed Assets	86 472 719	518 755 378	46 920 650	838 371	99 090 033	2 434 154	-	754 511 304
- Under Construction	-	-	-	-	-	-	-	-
Correction of error (Note 37)	-	-	-	-	-	-	-	-
Correction of opening balance Classification error (Note 3)	-	-	-	-	-	-	-	-
Revaluation	481 413 517	-	-	-	-	-	-	481 413 517
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Accumulated Depreciation:	(18 872 445)	(238 925 604)	(27 238 262)	-	(19 493 799)	(465 089)	-	(304 995 199)
- Cost	(18 872 445)	(238 925 604)	(27 238 262)	-	(19 493 799)	(465 089)	-	(304 995 199)
- Correction of error	-	-	-	-	-	-	-	-
Acquisitions	1 189 590	68 288 752	3 370 649	-	8 751 612	4 400	-	81 605 002
Revaluations	-	-	-	-	-	-	-	-
Capital under Construction - Additions	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Borrowing Costs Capitalised	-	-	-	-	-	-	-	-
Increases in Revaluation	-	-	-	-	-	-	-	-
Reversals of Impairment Losses	-	-	-	-	-	-	-	-
Depreciation:	(1 781 771)	(12 395 344)	(2 027 633)	-	(16 906 330)	(150 531)	-	(33 261 610)
- Based on Cost	(1 781 771)	(12 395 344)	(2 027 633)	-	(16 906 330)	(150 531)	-	(33 261 610)
- Disposals	-	-	-	-	-	-	-	-
Carrying value of Disposals:	(1 780 000)	-	-	-	-	-	-	(1 780 000)
- Cost	-	-	-	-	-	-	-	-
- Revaluation	(1 780 000)	-	-	-	-	-	-	(1 780 000)
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying value of Transfers to Held-for-Sale:	75 000.00	-	-	-	-	-	-	75 000.00
- Cost	75 000.00	-	-	-	-	-	-	75 000.00
- Revaluation	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Decreases in Revaluation	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-
Capital under Construction - Completed	-	-	-	-	-	-	-	-
Other Movements	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Transfer of Land	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying values at 30 JUNE 2011	546 716 609	335 723 182	21 025 403	838 371	71 441 516	1 822 935	-	977 568 015
Cost	85 957 309	587 044 130	50 291 299	838 371	107 841 645	2 438 554	-	834 411 307
- Completed Assets	85 957 309	587 044 130	50 291 299	838 371	107 841 645	2 438 554	-	834 411 307
- Under Construction	-	-	-	-	-	-	-	-
Revaluation	481 413 517	-	-	-	-	-	-	481 413 517
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Accumulated Depreciation:	(20 654 216)	(251 320 948)	(29 265 896)	-	(36 400 129)	(615 620)	-	(338 256 809)
- Cost	(20 654 216)	(251 320 948)	(29 265 896)	-	(36 400 129)	(615 620)	-	(338 256 809)
- Revaluation	-	-	-	-	-	-	-	-

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

7. PROPERTY, PLANT AND EQUIPMENT (GROUP) (Continued)

30 JUNE 2010

Reconciliation of Carrying Value

Description	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing Development Fund	Leased Infra-structure	Total
	R	R	R	R	R	R	R	R
Carrying values at 01 JULY 2009	512 750 915	236 214 876	16 105 580	838 371	108 574 536	1 987 235	-	876 471 513
Cost	60 410 924	436 184 478	42 347 702	830 779	99 090 033	454 219	-	639 318 135
- Completed Assets	60 410 924	436 184 478	42 347 702	830 779	99 090 033	454 219	-	639 318 135
- Under Construction	-	-	-	-	-	-	-	-
Correction of error (Note 37)	9 581 171	84 060 564	6 579 535	32 946	28 978 303	1 847 941	-	131 080 460
Correction of opening balance Classification error (Note 3)	-	-	-	-	-	-	-	-
Revaluation	481 413 517	-	-	-	-	-	-	481 413 517
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Accumulated Depreciation:	(38 654 698)	(284 030 166)	(32 821 657)	(25 354)	(19 493 799)	(314 925)	-	(375 340 599)
- Cost	(38 654 698)	(284 030 166)	(32 821 657)	(25 354)	(19 493 799)	(314 925)	-	(375 340 599)
- Write-Off	-	-	-	-	-	-	-	-
Acquisitions	120 716	51 512 452	5 023 557	-	23 152 600	-	-	79 809 325
Revaluations	-	-	-	-	-	-	-	-
Capital under Construction - Additions	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Borrowing Costs Capitalised	-	-	-	-	-	-	-	-
Increases in Revaluation	-	-	-	-	-	-	-	-
Reversals of Impairment Losses	-	-	-	-	-	-	-	-
Depreciation:	(1 452 824)	(7 800 312)	(1 446 112)	-	(10 981 659)	(18 169)	-	(21 699 076)
- Based on Cost	(1 452 824)	(7 800 312)	(1 446 112)	-	(10 981 659)	(18 169)	-	(21 699 076)
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying value of Disposals:	-	(97 241)	-	-	(708 767)	-	-	(806 008)
- Cost	-	(1 292 301)	-	-	(909 296)	-	-	(2 201 597)
- Revaluation	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	1 195 060	-	-	200 529	-	-	1 395 589
- Based on Cost	-	1 195 060	-	-	200 529	-	-	1 395 589
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying value of transfer Assets Held For Sale	(9 097 000)	-	-	-	-	-	-	(9 097 000)
- Cost	-	-	-	-	-	-	-	-
- Revaluation	(9 097 000)	-	-	-	-	-	-	(9 097 000)
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Decreases in Revaluation	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-
Capital under Construction - Completed	-	-	-	-	-	-	-	-
Other Movements	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Revaluation	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-
- Based on Cost	-	-	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying values at 30 JUNE 2010	549 013 791	279 829 775	19 682 387	838 371	79 596 234	1 969 066	-	930 929 624
Cost	86 472 719	518 755 379	46 920 650	838 371	99 090 033	2 434 155	-	754 511 306
- Completed Assets	35 020 295	432 860 024	40 029 840	805 425	73 971 638	454 219	-	583 141 441
- Correction of error (Note 37)	51 452 424	85 895 355	6 890 810	32 946	25 118 395	1 979 936	-	171 369 865
Revaluation	481 413 517	-	-	-	-	-	-	481 413 517
Correction of error (Note 37)	-	-	-	-	-	-	-	-
Accumulated Depreciation:	(18 872 445)	(238 925 604)	(27 238 262)	-	(19 493 799)	(465 089)	-	(304 995 199)
- Cost	(18 568 177)	(237 090 813)	(26 926 350)	-	(23 265 728)	(333 093)	-	(306 184 161)
- Correction of error (Note 37)	(304 268)	(1 834 791)	(311 912)	-	3 771 929	(131 996)	-	1 188 962

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011	2010	2011	2010
	R	R	R	R
7.1 Carrying Amount of Property, Plant and Equipment that is fully depreciated and still in use				
Land and Buildings	546 716 609	549 013 791	546 716 609	549 013 791
Infrastructure	335 723 182	279 829 775	335 723 182	279 829 775
Community	21 025 403	19 682 387	21 025 403	19 682 387
Heritage	838 371	838 371	838 371	838 371
Other	71 441 516	79 596 234	71 441 516	79 596 234
Housing Development Fund	1 822 935	1 969 066	1 822 935	1 969 066
Leased Assets	-	-	-	-
Carrying Value of PPE fully depreciated and still in use	977 568 015	930 929 624	977 568 015	930 929 624

7.2 Assets pledged as security

No assets have been pledged as security.

7.3 Impairment of Property, Plant and Equipment:

Impairment of Property, Plant and Equipment was taken into consideration by the consultants, Ducharme Consulting (Pty) Ltd, during the process of identifying Property, Plant and Equipment and included in the Depreciated Replacement Cost calculated during the exercise. The amounts for Impairment were not calculated separately and therefore no impaired values are disclosed.

7.4 Change in Estimate - Useful Life of Property, Plant and Equipment reviewed

The Remaining Useful Life of property, plant and equipment was taken into consideration by the consultants, Ducharme Consulting (Pty) Ltd, during the process of identifying property, plant and equipment and included in the Depreciated Replacement Cost calculated during the exercise. The amounts for Change in Useful Life were not calculated separately and therefore no changes in values are disclosed.

7.5 Land and Buildings carried at Fair Value

Land and Buildings were revalued to fair value by using the municipal valuation roll. The effective date of revaluation was 01 July 2009. The valuation was done by municipal valuer, registered and independent valuers. The NHBR indices, which indicate current building costs, were used to determine replacement values.

The revaluation surplus was credited to the Revaluation Reserve in Net Assets.

7.6 Property Plant & Equipment (Work in Progress):

Work in progress for the year ending 30 June 2011 consisted out of the following:

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011	2010	2011	2010
	R	R	R	R
Roads	8 085 003	-	8 085 003	-
Electricity	23 467 431	-	23 467 431	-
Balance at end of year	31 552 435	-	31 552 435	-

8. INTANGIBLE ASSETS

At Cost less Accumulated Amortisation and Accumulated Impairment Losses

126 472	188 589	126 472	188 589
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The movement in Intangible Assets is reconciled as follows:

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

TLOKWE LOCAL MUNICIPALITY

	Computer Software	Valuation Roll	Service & Operating rights	Total
Carrying values at 01 JULY 2010	-	-	188 589	188 589
Cost	2 207 240	-	1 605 165	3 812 405
Accumulated Amortisation	(2 207 240)	-	(1 416 576)	(3 623 816)
Accumulated Revaluation	-	-	-	-
Accumulated Impairment Losses	-	-	-	-
Acquisitions during the Year:	-	-	-	-
Purchased	-	-	-	-
Internally Developed	-	-	-	-
Work-in-Progress at Year-end	-	-	-	-
Increases in Revaluations during the Year	-	-	-	-
Amortisation during the Year:	-	-	(62 117)	(62 117)
Purchased	-	-	(62 117)	(62 117)
Internally Developed	-	-	-	-
Impairment Losses during the Year	-	-	-	-
Disposals during the Year:	-	-	-	-
At Cost	-	-	-	-
At Accumulated Revaluation	-	-	-	-
At Accumulated Amortisation	-	-	-	-
At Accumulated Impairment	-	-	-	-
Decreases in Revaluations during the Year	-	-	-	-
Reversal of Impairment Losses during the Year	-	-	-	-
Transfers during the Year:	-	-	-	-
At Cost	-	-	-	-
At Accumulated Revaluation	-	-	-	-
At Accumulated Amortisation	-	-	-	-
At Accumulated Impairment	-	-	-	-
Carrying values at 30 JUNE 2011	-	-	126 472	126 472
Cost	2 207 240	-	1 605 165	3 812 405
Accumulated Amortisation	(2 207 240)	-	(1 416 576)	(3 623 816)
Accumulated Revaluation	-	-	(62 117)	(62 117)
Accumulated Impairment Losses	-	-	-	-

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

TLOKWE LOCAL MUNICIPALITY

	Computer Software	Valuation Roll	Service & Operating rights	Total
Carrying values at 01 JULY 2009	-	-	-	-
Cost	-	-	-	-
Accumulated Amortisation	-	-	-	-
Accumulated Revaluation	-	-	-	-
Accumulated Impairment Losses	-	-	-	-
Acquisitions during the Year:	-	-	-	-
Purchased	-	-	-	-
Transfer from Property, Plant & Equipment	-	-	-	-
Work-in-Progress at Year-end	-	-	-	-
Increases in Revaluations during the Year	-	-	-	-
Amortisation during the Year:	-	-	-	-
Purchased	-	-	-	-
Transfer from Property, Plant & Equipment	-	-	-	-
Impairment Losses during the Year	-	-	-	-
Disposals during the Year:	-	-	-	-
At Cost	-	-	-	-
At Accumulated Revaluation	-	-	-	-
At Accumulated Amortisation	-	-	-	-
At Accumulated Impairment	-	-	-	-
Decreases in Revaluations during the Year	-	-	-	-
Reversal of Impairment Losses during the Year	-	-	-	-
Transfers during the Year:	-	-	188 589	188 589
At Cost	2 207 240	-	1 605 165	3 812 405
At Accumulated Amortisation	(2 207 240)	-	(1 416 576)	(3 623 816)
At Accumulated Revaluation	-	-	-	-
At Accumulated Impairment	-	-	-	-
Carrying values at 30 JUNE 2010	-	-	188 589	188 589
Cost	2 207 240	-	1 605 165	3 812 405
Accumulated Amortisation	(2 207 240)	-	(1 416 576)	(3 623 816)
Accumulated Revaluation	-	-	-	-
Accumulated Impairment Losses	-	-	-	-

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	GROUP			
	Computer Software	Valuation Roll	Service & Operating rights	Total
Carrying values at 01 JULY 2010	-	-	188 589	188 589
Cost	2 207 240	-	1 605 165	3 812 405
Accumulated Amortisation	(2 207 240)	-	(1 416 576)	(3 623 816)
Accumulated Revaluation	-	-	-	-
Accumulated Impairment Losses	-	-	-	-
Acquisitions during the Year:	-	-	-	-
Purchased	-	-	-	-
Internally Developed	-	-	-	-
Work-in-Progress at Year-end	-	-	-	-
Increases in Revaluations during the Year	-	-	-	-
Amortisation during the Year:	-	-	(62 117)	(62 117)
Purchased	-	-	(62 117)	(62 117)
Internally Developed	-	-	-	-
Impairment Losses during the Year	-	-	-	-
Disposals during the Year:	-	-	-	-
At Cost	-	-	-	-
At Accumulated Revaluation	-	-	-	-
At Accumulated Amortisation	-	-	-	-
At Accumulated Impairment	-	-	-	-
Decreases in Revaluations during the Year	-	-	-	-
Reversal of Impairment Losses during the Year	-	-	-	-
Transfers during the Year:	-	-	-	-
At Cost	-	-	-	-
At Accumulated Revaluation	-	-	-	-
At Accumulated Amortisation	-	-	-	-
At Accumulated Impairment	-	-	-	-
Carrying values at 30 JUNE 2011	-	-	126 472	126 472
Cost	2 207 240	-	1 605 165	3 812 405
Accumulated Amortisation	(2 207 240)	-	(1 416 576)	(3 623 816)
Accumulated Revaluation	-	-	(62 117)	(62 117)
Accumulated Impairment Losses	-	-	-	-

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

GROUP

	Computer Software	Valuation Roll	Service & Operating rights	Total
Carrying values at 01 JULY 2009	-	-	-	-
Cost	-	-	-	-
Accumulated Amortisation	-	-	-	-
Accumulated Revaluation	-	-	-	-
Accumulated Impairment Losses	-	-	-	-
Acquisitions during the Year:	-	-	-	-
Purchased	-	-	-	-
Transfer from Property, Plant & Equipment	-	-	-	-
Work-in-Progress at Year-end	-	-	-	-
Increases in Revaluations during the Year	-	-	-	-
Amortisation during the Year:	-	-	-	-
Purchased	-	-	-	-
Transfer from Property, Plant & Equipment	-	-	-	-
Impairment Losses during the Year	-	-	-	-
Disposals during the Year:	-	-	-	-
At Cost	-	-	-	-
At Accumulated Revaluation	-	-	-	-
At Accumulated Amortisation	-	-	-	-
At Accumulated Impairment	-	-	-	-
Decreases in Revaluations during the Year	-	-	-	-
Reversal of Impairment Losses during the Year	-	-	-	-
Transfers during the Year:	-	-	188 589	188 589
At Cost	2 207 240	-	1 605 165	3 812 405
At Accumulated Amortisation	(2 207 240)	-	(1 416 576)	(3 623 816)
At Accumulated Revaluation	-	-	-	-
At Accumulated Impairment	-	-	-	-
Carrying values at 30 JUNE 2010	-	-	188 589	188 589
Cost	2 207 240	-	1 605 165	3 812 405
Accumulated Amortisation	(2 207 240)	-	(1 416 576)	(3 623 816)
Accumulated Revaluation	-	-	-	-
Accumulated Impairment Losses	-	-	-	-

The amortisation expense has been included in the line item "Depreciation and Amortisation" in the Consolidated Statement of Financial Performance.

All of the municipality's Intangible Assets are held under freehold interests and no Intangible Assets had been pledged as security for any liabilities of the municipality.

No restrictions apply to any of the Intangible Assets of the municipality.

Refer to Appendix "B" for more detail on Intangible Assets.

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011 R	2010 R	2011 R	2010 R
9. INVESTMENT PROPERTY				
At Fair Value				
At Cost less Accumulated Depreciation	24 420 000	24 420 000	24 420 000	24 420 000
The movement in Investment Property is reconciled as follows:				
Carrying values beginning of the year	24 420 000	24 420 000	24 420 000	24 420 000
Cost	-	-	-	-
Fair Value	24 420 000	24 420 000	24 420 000	24 420 000
Accumulated Depreciation	-	-	-	-
Accumulated Impairment Losses	-	-	-	-
Capitalised	-	-	-	-
Revaluation	-	-	-	-
Correction of error	-	-	-	-
Impairment Losses during the Year	-	-	-	-
Disposals during the Year:	-	-	-	-
At Cost	-	-	-	-
At Accumulated Depreciation	-	-	-	-
At Accumulated Impairment	-	-	-	-
Reversal of Impairment Losses during the Year	-	-	-	-
Transfers during the Year:	-	-	-	-
At Cost	-	-	-	-
At Accumulated Depreciation	-	-	-	-
At Accumulated Impairment	-	-	-	-
Carrying values at year end	24 420 000	24 420 000	24 420 000	24 420 000
Cost	-	-	-	-
Fair Value	24 420 000	24 420 000	24 420 000	24 420 000
Accumulated Depreciation	-	-	-	-
Accumulated Impairment	-	-	-	-
Estimated Fair Value of Investment Property at 30 June	24 420 000	24 420 000	24 420 000	24 420 000

There are no contractual obligations on Investment Property.

Refer to Appendix "B" for more detail on Investment Property.

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011 R	2010 R	2011 R	2010 R
10. NON-CURRENT INVESTMENTS				
Financial Instruments				
Long-term Investments	-	31 163 860	-	31 163 860
Total Investments				
All Investments	-	31 163 860	-	31 163 860
	-	31 163 860	-	31 163 860

Fixed Deposits are investments with a maturity period of more than 12 months.

The management of the municipality is of the opinion that the carrying value of Investments recorded at amortised cost in the Consolidated Annual Financial Statements approximate their fair values.

The fair value of Investments was determined after considering the standard terms and conditions of agreements entered into between the municipality and financial institutions.

The Long-term investments consist of the following:

Securities SA (Ltd)	-	31 163 860	-	31 163 860
	-	31 163 860	-	31 163 860

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

TLOKWE LOCAL MUNICIPALITY

11. LONG-TERM RECEIVABLES

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 JUNE 2011			
Debtors Capitalised Arrear Services	-	-	-
Sale of Erven	45 268	-	45 268
	<u>45 268</u>	<u>-</u>	<u>45 268</u>
Less: Current Portion transferred to Current Receivables:-			-
Short-term portion of long-term receivables			<u>-</u>
Total Long-term Receivables			<u>45 268</u>

	Gross Balances R	GROUP Provision for Impairment R	Net Balances R
As at 30 JUNE 2011			
Debtors Capitalised Arrear Services	-	-	-
Sale of Erven	45 268	-	45 268
	<u>45 268</u>	<u>-</u>	<u>45 268</u>
Less: Current Portion transferred to Current Receivables:-			-
Short-term portion of long-term receivables			<u>-</u>
Total Long-term Receivables			<u>45 268</u>

	Gross Balances R	TLOKWE LOCAL MUNICIPALITY Provision for Impairment R	Net Balances R
As at 30 JUNE 2010			
Debtors Capitalised Arrear Services	3 962 636	-	3 962 636
Sale of Erven	60 388	-	60 388
	<u>4 023 024</u>	<u>-</u>	<u>4 023 024</u>
Less: Current Portion transferred to Current Receivables:-			232 480
Car Loans			<u>232 480</u>
Total Long-term Receivables			<u>3 790 544</u>

	Gross Balances R	GROUP Provision for Impairment R	Net Balances R
As at 30 JUNE 2010			
Debtors Capitalised Arrear Services	3 962 636	-	3 962 636
Sale of Erven	60 388	-	60 388
	<u>4 023 024</u>	<u>-</u>	<u>4 023 024</u>
Less: Current Portion transferred to Current Receivables:-			232 480
Car Loans			<u>232 480</u>
Total Long-term Receivables			<u>3 790 544</u>

DEBTORS CAPITALISED ARREAR SERVICES

Arrear amounts on services are capitalised on completion of a formal agreement or upon being handed over to attorneys for collection. These arrear amounts are then paid to the municipality in monthly instalments over a period not exceeding 60 months. No interest is charged on these amounts where the stipulations of the agreement are adhered to.

SALE OF ERVEN

As from 01 January 2006 no loan agreements are entered into for the sale of erven. The outstanding loans will be recovered over the remaining period of the individual loan agreements entered into.

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011	2010	2011	2010
	R	R	R	R
12. CONSUMER DEPOSITS				
Electricity and Water	10 757 649	9 902 512	10 757 649	9 902 512
Total Consumer Deposits	10 757 649	9 902 512	10 757 649	9 902 512

Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding account.

No interest is paid on Consumer Deposits held.

The management of the municipality is of the opinion that the carrying value of Consumer Deposits approximate their fair values.

The fair value of Consumer Deposits was determined after considering the standard terms and conditions of agreements entered into between the municipality and its consumers.

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011	2010	2011	2010
	R	R	R	R
13. PROVISIONS				
Current Portion of Post-retirement Medical Aid Benefits Liability (See Note below)	5 014 896	4 334 052	5 014 896	4 334 052
Current Portion of Long-term service awards (See Note below):	2 631 240	1 116 784	2 631 240	1 116 784
Performance Bonuses	788 484	696 266	788 484	696 266
Total Provisions	8 434 620	6 147 102	8 434 620	6 147 102

Long-Term Service

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-term Service Award is payable for every 5 years completed from 10 years of service completed to 45 years of service completed, inclusive.

Post-Retirement Medical Aid Benefits

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The movement in current provisions are reconciled as follows:

Current Portion of Non-Current Provisions:

	TLOKWE LOCAL MUNICIPALITY	GROUP
	Performance Bonuses	Performance Bonuses
	R	R
30 JUNE 2011		
Balance at beginning of year	696 266	696 266
Contributions to provision	92 218	92 218
Balance at end of year	788 484	788 484
30 JUNE 2010		
Balance at beginning of year	343 616	343 616
Contributions to provision	352 651	352 651
Balance at end of year	696 266	696 266

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	TLOKWE LOCAL MUNICIPALITY		GROUP	
Current Portion of Non-Current Provisions:				
	Long-term Service R	Post-retirement Benefit liability R	Long-term Service R	Post-retirement Benefit liability R
30 JUNE 2011				
Balance at beginning of year	1 116 784	4 334 052	1 116 784	4 334 052
Transfer from non-current	(1 116 784)	(4 334 052)	(1 116 784)	(4 334 052)
Contributions to provision	2 631 240	5 014 896	2 631 240	5 014 896
Balance at end of year	2 631 240	5 014 896	2 631 240	5 014 896

30 JUNE 2010				
Balance at beginning of year	670 228	3 995 352	670 228	3 995 352
Transfer from non-current	(670 228)	(3 995 352)	(670 228)	(3 995 352)
Contributions to provision	1 116 784	4 334 052	1 116 784	4 334 052
Balance at end of year	1 116 784	4 334 052	1 116 784	4 334 052

	TLOKWE LOCAL MUNICIPALITY		GROUP	
14. CREDITORS	2011 R	2010 R	2011 R	2010 R
Accrued leave	11 667 643	10 345 141	11 667 643	10 345 141
Other Creditors	-	1 068 291	7 342	1 399 051
Payments received in Advance	4 049 962	6 492 168	4 049 962	6 492 168
Payments received in Advance - Electricity Connections	21 901	-	21 901	-
Payments received in Advance - Halls	54 216	41 133	54 216	41 133
Payments received in Advance - Prepaid electricity	4 706 750	2 899 890	4 706 750	2 899 890
Provision - Compensation insurance	689 761	761 488	689 761	761 488
Provision - SALGA Wage Curve increase	2 613 780	2 613 780	2 613 780	2 613 780
Provision - SARS Interest	-	-	-	-
Retentions	8 171 475	8 433 936	8 171 475	8 433 936
Sundry Deposits	-	490 696	-	490 696
Suspense - Other	9 347 952	11 377 182	9 347 952	11 377 182
Trade Creditors	83 426 561	26 991 650	83 426 561	26 991 650
VAT	-	371 482	-	371 482
Total Creditors	124 750 001	71 886 836	124 757 343	72 217 596

The average credit period on purchases is 30 days from the receipt of the invoice, as determined by the MFMA. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial risk policies in place to ensure that all payables are paid within the credit timeframe.

The management of the municipality is of the opinion that the carrying value of Creditors approximate their fair values.

The fair value of Creditors was determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties.

Staff Leave accrue to the staff of the municipality on an annual basis, subject to certain conditions. The accrual is an estimate of the amount due at the reporting date.

	TLOKWE LOCAL MUNICIPALITY		GROUP	
15. UNSPENT CONDITIONAL GRANTS AND RECEIPTS	2011 R	2010 R	2011 R	2010 R
15.1 Conditional Grants from Government	10 568 072	11 269 608	10 568 072	11 269 608
National Government Grants	5 180 786	3 364 244	5 180 786	3 364 244
Provincial Government Grants	4 040 122	6 529 820	4 040 122	6 529 820
Local Government Grants	90 207	118 587	90 207	118 587
Other Spheres of Government	1 256 957	1 256 957	1 256 957	1 256 957
15.2 Other Conditional Receipts	1 301 670	1 623 649	1 301 670	1 623 649
Lotto: Sport Facilities	1 301 670	1 623 649	1 301 670	1 623 649
Total Conditional Grants and Receipts	11 869 742	12 893 257	11 869 742	12 893 257

Refer to Appendix "F" for more detail on Conditional Grants.

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011 R	2010 R	2011 R	2010 R
16. SHORT-TERM LOANS				
Tlokwe Youth Centre	-	475 583	-	475 583
Total Short-term Loans	-	475 583	-	475 583
The short-term loan consists out of money received o.b.o. Tlokwe Youth Centre.				

17. LONG-TERM LIABILITIES				
Annuity Loans	21 889 953	22 687 462	21 889 953	22 687 462
Sub-total	21 889 953	22 687 462	21 889 953	22 687 462
Less: Current Portion transferred to Current Liabilities:-	882 367	767 944	882 367	767 944
Annuity Loans	882 367	767 944	882 367	767 944
Total Long-term Liabilities (Neither past due, nor impaired)	21 007 586	21 919 518	21 007 586	21 919 518

17.1 Summary of Arrangements

Annuity Loans are repaid over a period of 20 years and at interest rates varying from 14.79% to 14.98% (2010: 15.25% to 15.45%) per annum.

The management of the municipality is of the opinion that the carrying value of Long-term Liabilities recorded at amortised cost in the Consolidated Annual Financial Statements approximate their fair values.

The fair value of Long-term Liabilities was determined after considering the standard terms and conditions of agreements entered into between the municipality and the relevant financing institutions.

Refer to Appendix "A" for more detail on Long-term Liabilities.

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011 R	2010 R	2011 R	2010 R
18. NON-CURRENT PROVISIONS				
Provision for Post-retirement Health Care Benefits Liability	101 095 956	83 505 470	101 095 956	83 505 470
Provision for Long-term Service Awards	8 081 680	8 338 530	8 081 680	8 338 530
Provision for Rehabilitation of Landfill Sites	8 004 062	7 480 160	8 004 062	7 480 160
Total Non-current Provisions	117 181 698	99 324 160	117 181 698	99 324 160

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	TLOKWE LOCAL MUNICIPALITY		GROUP	
18.1 Post-retirement Health Care Benefits Liability				
Balance at beginning of Year	87 839 522	71 867 489	87 839 522	71 867 489
Contributions to Provision	18 271 330	15 972 033	18 271 330	15 972 033
Balance at end of Year	<u>106 110 852</u>	<u>87 839 522</u>	<u>106 110 852</u>	<u>87 839 522</u>
Transfer to Current Provisions	(5 014 896)	(4 334 052)	(5 014 896)	(4 334 052)
Total Post-retirement Health Care Benefits Liability	<u>101 095 956</u>	<u>83 505 470</u>	<u>101 095 956</u>	<u>83 505 470</u>

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2011 by Arch Actuaries, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The members of the Post-Retirement Health Care Benefit Plan are made up as follows:

In-service Members (Employees)	598	607	598	607
In-service Members (Employees) - Non-members	457	100	457	100
Continuation Members (Retirees, widowers and orphans)	171	163	171	163
Total Members	<u>1 226</u>	<u>870</u>	<u>1 226</u>	<u>870</u>

The liability in respect of past service has been estimated as follows:

In-service Members	38 928 859	31 906 183	38 928 859	31 906 183
Continuation Members	67 181 993	55 933 339	67 181 993	55 933 339
Total Liability	<u>106 110 852</u>	<u>87 839 522</u>	<u>106 110 852</u>	<u>87 839 522</u>

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Hosmed
- Bonitas
- Keyhealth
- LA Health
- Samwumed

The Current-service Cost for the year ending 30 June 2011 is estimated to be R2 541 372, whereas the cost for the ensuing year is estimated to be R3 201 616.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate	8.50%	9.15%	8.50%	9.15%
Health Care Cost Inflation Rate	7.27%	7.22%	7.27%	7.22%
Net Effective Discount Rate	1.15%	1.8%	1.15%	1.8%
Expected Rate of Salary Increase	6.24%	8.48%	6.24%	8.48%
Expected Retirement Age - Females	58	58	58	58
Expected Retirement Age - Males	63	63	63	63

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011 R	2010 R	2011 R	2010 R
Movements in the present value of the Defined Benefit Obligation were as follows:				
Balance at the beginning of the year	87 839 522	75 862 841	87 839 522	75 862 841
Current service costs	2 541 372	1 683 538	2 541 372	1 683 538
Interest cost	7 843 593	6 803 805	7 843 593	6 803 805
Benefits paid	(4 334 052)	(3 995 352)	(4 334 052)	(3 995 352)
Actuarial losses / (gains)	12 220 417	7 484 690	12 220 417	7 484 690
Present Value of Fund Obligation at the end of the Year	106 110 852	87 839 522	106 110 852	87 839 522
Actuarial losses / (gains) unrecognised	-	-	-	-
Total Recognised Benefit Liability	106 110 852	87 839 522	106 110 852	87 839 522
The amounts recognised in the Statement of Financial Performance are as follows:				
Current service cost	2 541 372	1 683 538	2 541 372	1 683 538
Interest cost	7 843 593	6 803 805	7 843 593	6 803 805
Actuarial losses / (gains)	12 220 417	7 484 690	12 220 417	7 484 690
Total Post-retirement Benefit included in Employee Related Costs (Note 29)	22 605 382	15 972 033	22 605 382	15 972 033

The history of experienced adjustments is as follows:

	2011 R	2010 R	2009 R	2008 R	2007 R
Present Value of Defined Benefit Obligation	106 110 852	87 839 522	75 862 841	76 460 968	70 255 793
Deficit	106 110 852	87 839 522	75 862 841	76 460 968	70 255 793

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011 R	2010 R	2011 R	2010 R
The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:				
Increase:				
Effect on the aggregate of the current service cost and the interest cost	1 389 500	1 305 200	1 389 500	1 305 200
Effect on the defined benefit obligation	15 566 000	10 946 000	15 566 000	10 946 000
Decrease:				
Effect on the aggregate of the current service cost and the interest cost	(1 231 000)	(1 063 900)	(1 231 000)	(1 063 900)
Effect on the defined benefit obligation	(12 837 000)	(9 552 000)	(12 837 000)	(9 552 000)

The municipality expects to make a contribution of R5,014 million (2010: R4,334 million) to the Defined Benefit Plans during the next financial year.

The movement in Non-current Provisions are reconciled as follows:

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	Long-term Service Awards R	Landfill Sites R	Long-term Service Awards R	Landfill Sites R
30 June 2011				
Balance at beginning of year	9 455 314	7 480 160	9 455 314	7 480 160
Contributions to provision	1 257 606	523 902	1 257 606	523 902
	10 712 920	8 004 062	10 712 920	8 004 062
Transfer to current provisions	(2 631 240)	-	(2 631 240)	-
Balance at end of year	8 081 680	8 004 062	8 081 680	8 004 062
30 June 2010				
	R	R	R	R
Balance at beginning of year	8 497 370	6 990 550	8 497 370	6 990 550
Contributions to provision	957 944	489 610	957 944	489 610
	9 455 314	7 480 160	9 455 314	7 480 160
Transfer to current provisions	(1 116 784)	-	(1 116 784)	-
Balance at end of year	8 338 530	7 480 160	8 338 530	7 480 160

18.2 Long-term Service Awards

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-term Service Award is payable after 10 years of continuous service and every 5 years thereafter to employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2011 by Mr C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

At year end, 968 (2010: 958) employees were eligible for Long-Term Services Awards.

The Current-service Cost for the year ending 30 June 2011 is estimated to be R1 0942 028, whereas the cost for the ensuing year is estimated to be R1 088 717.

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	TLOKWE LOCAL MUNICIPALITY		GROUP		
	2011 R	2010 R	2011 R	2010 R	
The principal assumptions used for the purposes of the actuarial valuations were as follows:					
Discount Rate	7.63%	8.94%	7.63%	8.94%	
Net Effective Discount Rate	1.32%	2.45%	1.32%	2.45%	
Expected Rate of Salary Increase	6.24%	6.34%	6.24%	6.34%	
Expected Retirement Age - Females	58	58	58	58	
Expected Retirement Age - Males	63	63	63	63	
Movements in the present value of the Defined Benefit Obligation were as follows:					
Balance at the beginning of the year	9 455 314	8 497 370	9 455 314	8 497 370	
Current service costs	1 092 028	914 355	1 092 028	914 355	
Interest cost	796 486	738 315	796 486	738 315	
Benefits paid	(1 116 784)	(670 228)	(1 116 784)	(670 228)	
Actuarial losses / (gains)	485 876	(24 498)	485 876	(24 498)	
Present Value of Fund Obligation at the end of the Year	10 712 920	9 455 314	10 712 920	9 455 314	
Actuarial losses / (gains) unrecognised	-	-	-	-	
Total Recognised Benefit Liability	10 712 920	9 455 314	10 712 920	9 455 314	
The amounts recognised in the Statement of Financial Performance are as follows:					
Current service cost	1 092 028	914 355	1 092 028	914 355	
Interest cost	796 486	738 315	796 486	738 315	
Actuarial losses / (gains)	485 876	(24 498)	485 876	(24 498)	
Total Post-retirement Benefit included in Employee Related Costs (Note 29)	2 374 390	1 628 172	2 374 390	1 628 172	
The history of experienced adjustments is as follows:					
	2011 R	2010 R	2009 R	2008 R	2007 R
Present Value of Defined Benefit Obligation	10 712 920	9 455 314	8 497 370	7 799 482	6 746 738
Deficit	10 712 920	9 455 314	8 497 370	7 799 482	6 746 738
	TLOKWE LOCAL MUNICIPALITY		GROUP		
	2011 R	2010 R	2011 R	2010 R	
The effect of a 1% movement in the assumed rate of long service cost inflation is as follows:					
Increase:					
Effect on the aggregate of the current service cost and the interest cost	94 452	95 721	94 452	95 721	
Effect on the defined benefit obligation	577 000	490 000	577 000	490 000	
Decrease:					
Effect on the aggregate of the current service cost and the interest cost	(85 784)	(86 711)	(85 784)	(86 711)	
Effect on the defined benefit obligation	(527 000)	(449 000)	(527 000)	(449 000)	

18.3 Rehabilitation of Landfill Sites

In terms of the licencing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R8 004 062 (2010: R 7 480 160) to restore the site at the end of its useful life, estimated to be in 2033. Provision has been made for the net present value of this cost, using the average cost of borrowing interest rate.

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011 R	2010 R	2011 R	2010 R
19. Share Capital				
<u>Authorised</u>				
2 000 000 Ordinary shares of R0.01 each	-	-	20 000	20 000
<u>Issued</u>				
Ordinary	-	-	256	100
Share Premium	-	-	1 152 554	-
20. STATUTORY FUNDS				
Housing Development Fund:	12 482 043	12 091 822	12 482 043	12 091 822
Total Statutory Funds	12 482 043	12 091 822	12 482 043	12 091 822

20.1 Housing Development Fund

The Housing Development Fund has its origin from Loans extinguished by Government on 1 April 1998 and the net of housing transactions appropriated to the fund thereafter. No separate Unappropriated Surplus Account for housing transactions was kept.

The Housing Development Fund contains all proceeds from housing developments, which include rental income and sale of houses. Monies standing to the credit of the Housing Development Fund are used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

Reconciliation of the Housing Development Fund:

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011 R	2010 R	2011 R	2010 R
Balance at beginning of year	12 091 823	11 897 965	12 091 823	11 897 965
Revenue:	554 923	433 020	554 923	433 020
Land Sales	131 860	-	131 860	-
Interest on Housing Account	370 576	433 020	370 576	433 020
Housing Rental Debtors	52 487	-	52 487	-
Less: Expenditure:	164 703	239 162	164 703	239 162
Funding of Operational Projects	164 703	239 162	164 703	239 162
Balance at end of year	12 482 043	12 091 823	12 482 043	12 091 823

21. ACCUMULATED SURPLUS

The Accumulated Surplus consists of the following Internal Funds and Reserves:

Capital Replacement Reserve (CRR)	63 377 148	63 377 148	63 377 148	63 377 148
Accumulated Surplus / (Deficit) due to the results of Operations	1 714 159 423	1 673 393 707	1 714 191 536	1 673 394 147
Total Accumulated Surplus	1 777 536 571	1 736 770 855	1 777 568 684	1 736 771 295

The **Capital Replacement Reserve** is a reserve to finance future capital expenditure and is fully invested in ring-fenced Financial Instrument Investments.

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

22. PROPERTY RATES

TLOKWE LOCAL MUNICIPALITY

	Property Valuations July 2011	July 2010	Actual Levies 2011 R	2010 R
Residential	12 642 413 800	12 539 154 700	42 180 649	40 480 026
Commercial	2 160 537 000	2 178 513 000	22 935 115	21 027 368
Agricultural	2 783 943 000	2 800 962 000	2 429 033	2 338 783
State	795 104 000	796 324 000	8 488 375	8 044 276
Municipal	8 154 000	4 176 000	36 671	14 125
Exempted Properties	1 265 434 960	1 234 298 900	-	-
Other	2 141 488 500	2 095 667 450	11 358 717	11 219 500
Rebates	-	-	(7 067 901)	(9 347 473)
Total Valuation and Assessment Rates	21 797 075 260	21 649 096 050	80 360 659	73 776 606
Attributable to:				
Continuing Operations			80 360 659	73 776 606
Discontinued Operations			-	-
			80 360 659	73 776 606

GROUP

	Property Valuations July 2011	July 2010	Actual Levies 2011 R	2010 R
Residential	12 642 413 800	12 539 154 700	42 180 649	40 480 026
Commercial	2 160 537 000	2 178 513 000	22 935 115	21 027 368
Agricultural	2 783 943 000	2 800 962 000	2 429 033	2 338 783
State	795 104 000	796 324 000	8 488 375	8 044 276
Municipal	8 154 000	4 176 000	36 671	14 125
Exempted Properties	1 265 434 960	1 234 298 900	-	-
Other	2 141 488 500	2 095 667 450	11 358 717	11 219 500
Rebates	-	-	(7 067 901)	(9 347 473)
Total Valuation and Assessment Rates	21 797 075 260	21 649 096 050	80 360 659	73 776 606
Attributable to:				
Continuing Operations			80 360 659	73 776 606
Discontinued Operations			-	-
			80 360 659	73 776 606

Assessment Rates are levied on the value of land and improvements, which valuation is performed every five years. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions. The last valuation came into effect 1 July 2009.

Rates are levied monthly on property owners and are payable before the 10th of each month. Interest is levied at a rate determined by council on outstanding rates amounts.

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011	2010	2011	2010
	R	R	R	R
23. INTEREST EARNED				
External Investments:				
Bank Account	2 537 820	1 948 770	2 537 820	1 948 770
Investments	5 617 915	6 984 736	5 617 915	6 985 276
Other Interest	-	26	-	26
Interest earned on Housing Development Fund	370 576	433 019	370 576	433 019
	8 526 311	9 366 552	8 526 311	9 367 092
	TLOKWE LOCAL MUNICIPALITY	2011	2010	GROUP
	R	R	R	R
Outstanding Debtors:				
Outstanding Billing Debtors	15 542 059	16 214 287	15 542 059	16 214 287
	15 542 059	16 214 287	15 542 059	16 214 287
Total Interest Earned	24 068 370	25 580 839	24 068 370	25 581 379
Available-for-Sale Financial Assets	8 526 311	9 366 552	8 526 311	9 367 092
Loans and Receivables	15 542 059	16 214 287	15 542 059	16 214 287
	24 068 370	25 580 839	24 068 370	25 581 379
	24 068 370	25 580 839	24 068 370	25 581 379
24. SERVICE CHARGES				
Sale of Electricity	356 848 444	324 735 407	356 848 444	324 735 407
Sale of Water	61 132 691	64 102 223	61 132 691	64 102 223
Refuse Removal	20 888 883	17 180 063	20 888 883	17 180 063
Sewerage and Sanitation Charges	37 242 018	34 461 415	37 242 018	34 461 415
	476 112 036	440 479 109	476 112 036	440 479 109
Total Service Charges				
Attributable to:				
Continuing Operations	476 112 036	440 479 109	476 112 036	440 479 109
Discontinued Operations	-	-	-	-
	476 112 036	440 479 109	476 112 036	440 479 109
Interest Earned on Financial Assets, analysed by category of asset, is as follows:				
25. RENTAL OF FACILITIES AND EQUIPMENT				
Rental Revenue from Amenities	2 741 134	2 215 661	2 741 134	2 215 661
Rental Revenue from Halls	156 885	105 418	156 885	105 418
Rental Revenue from Land	580 821	435 024	580 821	435 024
Rental Revenue from Other Facilities	1 341 394	1 382 816	1 341 394	1 382 816
	4 820 234	4 138 919	4 820 234	4 138 919
Total Rental of Facilities and Equipment				
Attributable to:				
Continuing Operations	4 820 234	3 925 464	4 820 234	3 925 464
Discontinued Operations	-	-	-	-
	4 820 234	3 925 464	4 820 234	3 925 464
Rental revenue earned on Facilities and Equipment is in respect of Non-financial Assets rented out.				

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011	2010	2011	2010
	R	R	R	R
26. GOVERNMENT GRANTS AND SUBSIDIES				
National Equitable share	69 095 256	54 012 271	69 095 256	54 012 271
National FMS Grant	1 000 000	750 000	1 000 000	750 000
National MSI Grant	750 000	-	750 000	-
Operational Grants	70 845 256	54 762 271	70 845 256	54 762 271
Conditional Grants	34 241 243	44 038 566	34 241 243	44 038 566
National: MIG	22 498 806	35 475 288	22 498 806	35 475 288
National: NER	5 366 000	2 095 492	5 366 000	2 095 492
National: Fire & Emergency Grant	-	299 147	-	299 147
National: SETA Grant	1 100 592	371 039	1 100 592	371 039
Provincial: Library Grant	1 845 833	3 376 586	1 845 833	3 376 586
Provincial: Promoting Culture Grant	16 083	41 021	16 083	41 021
Provincial: City Branding Grant	-	156 431	-	156 431
Provincial: LED Township History Grant	147 427	238 740	147 427	238 740
Provincial: Economic Growth & Development Grant	41 650	9 120	41 650	9 120
Provincial: Promoting Culture Grant	-	31 210	-	31 210
Other Spheres of Government: Various Grants	3 224 851	1 944 492	3 224 851	1 944 492
Transferred from Deferred Revenue (offset depreciation on assets funded from Grants)	-	-	-	-
Total Government Grants and Subsidies	105 086 499	98 800 837	105 086 499	98 800 837
Attributable to:				
Continuing Operations	105 086 499	98 800 837	105 086 499	98 800 837
Discontinued Operations	-	-	-	-
	105 086 499	98 800 837	105 086 499	98 800 837
	TLOKWE LOCAL MUNICIPALITY	2011	2010	GROUP
	R	R	R	R
Operational Grants:				
26.1.1. National: Equitable Share	69 095 256	54 012 271	69 095 256	54 012 271
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy up to R173.75, based on the monthly billing, towards the consumer account, which subsidy is determined annually by council. All residential households receive 6 kl water and indigents also receive 80 kWh electricity free every month. An additional 50% rebate is granted to indigents on property tax.				
26.1.2. National: FMS Grant	1 000 000	750 000	1 000 000	750 000
To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Financial Management Act (MFMA).				
26.1.3. National: MSI Grant	750 000	-	750 000	-
To promote and support reforms in municipal systems by building capacity in municipalities to implement the Municipal Financial Management Act (MFMA).				
26.2 Provincial: Health Subsidies				
Balance unspent at beginning of year	1 314 833	1 314 833	1 314 833	1 314 833
Current year receipts - included in Public Health vote	-	-	-	-
- Environmental Health	-	-	-	-
- Primary Health	-	-	-	-
Conditions met - transferred to Revenue	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	1 314 833	1 314 833	1 314 833	1 314 833
26.3 National: MIG Grants				
Balance unspent at beginning of year	1 759 703	8 211 797	1 759 703	8 211 797
Current year receipts	25 448 400	32 893 744	25 448 400	32 893 744
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	(22 498 809)	(39 345 838)	(22 498 809)	(39 345 838)
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	4 709 294	1 759 703	4 709 294	1 759 703

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

26.4 National: NER Grants

	TLOKWE LOCAL MUNICIPALITY		GROUP	
Balance unspent at beginning of year	-	1 095 492	-	1 095 492
Current year receipts	5 366 000	1 000 000	5 366 000	1 000 000
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	(5 366 000)	(2 095 492)	(5 366 000)	(2 095 492)
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	-	-	-	-

26.5 Land Use Management Grant

Balance unspent at beginning of year	203 806	-	203 806	-
Current year receipts	-	203 806	-	203 806
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	203 806	203 806	203 806	203 806

26.6 LED Constitutional Grant

Balance unspent at beginning of year	148 765	148 765	148 765	148 765
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	148 765	148 765	148 765	148 765

26.7 LED Projects Promoting Culture

Balance unspent at beginning of year	1 552	27 658	1 552	27 658
Current year receipts	50 000	5 103	50 000	5 103
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	(16 083)	(31 210)	(16 083)	(31 210)
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	35 469	1 552	35 469	1 552

26.8 LED Projects Tourism Initiative

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011	2010	2011	2010
	R	R	R	R
Balance unspent at beginning of year	314 902	284 953	314 902	284 953
Current year receipts	-	29 949	-	29 949
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	(30 000)	-	(30 000)	-
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	284 902	314 902	284 902	314 902

26.9 Lotto: Sports Facilities

Balance unspent at beginning of year	965 702	1 535 942	965 702	1 535 942
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	(570 239)	-	(570 239)
Conditions met - transferred to Revenue: Capital Expenses	(156 708)	-	(156 708)	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	808 994	965 702	808 994	965 702

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	TLOKWE LOCAL MUNICIPALITY		GROUP	
26.10 Lotto: Lake Resort				
Balance unspent at beginning of year	25 676	-	25 676	-
Current year receipts	-	120 975	-	120 975
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	(95 299)	-	(95 299)
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>25 676</u>	<u>25 676</u>	<u>25 676</u>	<u>25 676</u>
26.11 Lotto: Mohadin Stadium				
Balance unspent at beginning of year	165 271	244 849	165 271	244 849
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	(79 578)	-	(79 578)
Conditions met - transferred to Revenue: Capital Expenses	(165 271)	-	(165 271)	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>-</u>	<u>165 271</u>	<u>-</u>	<u>165 271</u>
26.12 Lotto: Sarafina Sports Facilities				
Balance unspent at beginning of year	467 000	-	467 000	-
Current year receipts	-	467 000	-	467 000
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>467 000</u>	<u>467 000</u>	<u>467 000</u>	<u>467 000</u>
26.13 Southern District Project (Dr Kenneth Kaunda District Project)				
Balance unspent at beginning of year	118 587	1 082 996	118 587	1 082 996
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	(28 380)	(964 409)	(28 380)	(964 409)
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>90 207</u>	<u>118 587</u>	<u>90 207</u>	<u>118 587</u>
26.14 Public Transport Infrastructure				
Balance unspent at beginning of year	446 527	447 127	446 527	447 127
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	(7 565)	(600)	(7 565)	(600)
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>438 962</u>	<u>446 527</u>	<u>438 962</u>	<u>446 527</u>
26.15 Provincial: Library Grant				
Balance unspent at beginning of year	2 345 833	5 322 419	2 345 833	5 322 419
Current year receipts	-	400 000	-	400 000
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	(2 844 492)	(3 376 586)	(2 844 492)	(3 376 586)
Other Transfers	654 410	-	654 410	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>155 752</u>	<u>2 345 833</u>	<u>155 752</u>	<u>2 345 833</u>

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011 R	2010 R	2011 R	2010 R
26.16 Fire and Emergency Grant				
Balance unspent at beginning of year	1 311 653	1 610 800	1 311 653	1 610 800
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	(299 147)	-	(299 147)
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>1 311 653</u>	<u>1 311 653</u>	<u>1 311 653</u>	<u>1 311 653</u>
26.17 LED Grants Township History/Jazz				
Balance unspent at beginning of year	147 427	364 861	147 427	364 861
Current year receipts	-	21 306	-	21 306
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	(147 427)	(238 740)	(147 427)	(238 740)
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>-</u>	<u>147 427</u>	<u>-</u>	<u>147 427</u>
26.18 S D R Dolomite Research Program				
Balance unspent at beginning of year	1 256 958	960 849	1 256 958	960 849
Current year receipts	-	296 109	-	296 109
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>1 256 958</u>	<u>1 256 958</u>	<u>1 256 958</u>	<u>1 256 958</u>
26.19 Provincial - SETA Grant				
Balance unspent at beginning of year	936 406	673 734	936 406	673 734
Current year receipts	164 226	633 711	164 226	633 711
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	(1 100 632)	(371 039)	(1 100 632)	(371 039)
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>-</u>	<u>936 406</u>	<u>-</u>	<u>936 406</u>
26.20 City Branding Grant				
Balance unspent at beginning of year	-	156 431	-	156 431
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	(156 431)	-	(156 431)
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
26.21 Economic Growth and Development Strategy Grant				
Balance unspent at beginning of year	74 180	83 300	74 180	83 300
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	(41 650)	(9 120)	(41 650)	(9 120)
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>32 530</u>	<u>74 180</u>	<u>32 530</u>	<u>74 180</u>

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

TLOKWE LOCAL MUNICIPALITY **GROUP**

26.22 Mohadin Library Extention Grant

Balance unspent at beginning of year	390 288	390 288	390 288	390 288
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>390 288</u>	<u>390 288</u>	<u>390 288</u>	<u>390 288</u>

26.23 Extention Main Library

Balance unspent at beginning of year	398 187	398 187	398 187	398 187
Current year receipts	350 877	-	350 877	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	(654 410)	-	(654 410)	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>94 655</u>	<u>398 187</u>	<u>94 655</u>	<u>398 187</u>

TLOKWE LOCAL MUNICIPALITY **GROUP**
2011 **2010** **2011** **2010**
R **R** **R** **R**

26.24 LED - City Branding

Balance unspent at beginning of year	100 000	100 000	100 000	100 000
Current year receipts	-	-	-	-
Interest allocated	-	-	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-	-	-
Other Transfers	-	-	-	-
Conditions still to be met - transferred to Liabilities (see Note 15)	<u>100 000</u>	<u>100 000</u>	<u>100 000</u>	<u>100 000</u>

26.25 Changes in levels of government Grants

Based on the allocation set out in the Division of Revenue Act (Act. No. 2 of 2010) government grant funding is expected to increase over the following three financial years.

TLOKWE LOCAL MUNICIPALITY **GROUP**
2011 **2010** **2011** **2010**
R **R** **R** **R**

27. OTHER INCOME

Building Plan Fees	858 290	667 201	858 290	667 201
Grave Fees	662 514	776 121	662 514	776 121
Sundries Levies	1 800 292	1 761 283	1 800 292	1 761 283
Training Fees - Training Centre of Fire Services	579 202	475 184	579 202	475 184
Other non-material Income	9 280 563	8 906 764	9 280 563	8 906 764
Reconnection Fees	904 697	928 684	904 697	928 684

Total Other Income	<u>14 085 558</u>	<u>13 515 237</u>	<u>14 085 558</u>	<u>13 515 237</u>
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Attributable to:

Continuing Operations	14 085 558	13 515 237	14 085 558	13 515 237
Discontinued Operations	-	-	-	-

	<u>14 085 558</u>	<u>13 515 237</u>	<u>14 085 558</u>	<u>13 515 237</u>
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The amounts disclosed above for Other Income are in respect of services, other than described in Notes 23 to 26, rendered which are billed to or paid for by the users as the services are required according to approved tariffs. Inter-departmental Recoveries are received from other trading and economic services.

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

28. EMPLOYEE RELATED COSTS

	TLOKWE LOCAL MUNICIPALITY		GROUP	
Employee Related Costs - Salaries and Wages	139 317 680	124 769 230	139 317 680	124 769 230
Employee Related Costs - Contributions for UIF, Pensions and Medical Aids	45 496 057	41 679 454	45 496 057	41 679 454
Travel Allowances	7 616 016	7 149 776	7 616 016	7 149 776
Phone Allowances	225 373	-	225 373	-
Housing Benefits and Allowances	2 594 346	2 601 769	2 594 346	2 601 769
Overtime Payments	11 445 283	9 503 430	11 445 283	9 503 430
Performance Bonuses	9 280 540	8 816 020	9 280 540	8 816 020
Total Employee Related Costs	215 975 294	194 519 679	215 975 294	194 519 679
Attributable to:				
Continuing Operations	215 975 294	194 519 679	215 975 294	194 519 679
Discontinued Operations	-	-	-	-
	215 975 294	194 519 679	215 975 294	194 519 679

No advances were made to employees.

Remuneration of the Municipal Manager

Annual Remuneration	431 352	679 270	431 352	679 270
Performance Bonus	-	33 978	-	33 978
Housing Allowance	408 840	59 366	408 840	59 366
Telephone Allowance	18 000	-	18 000	-
Car Allowance	127 619	117 466	127 619	117 466
Company Contributions to UIF, Medical and Pension Funds	132 098	15 345	132 098	15 345
Total	1 117 909	905 425	1 117 909	905 425

Remuneration of the Deputy Municipal Manager

Annual Remuneration	342 786	477 049	342 786	477 049
Performance Bonus	-	73 977	-	73 977
Housing Allowance	245 904	233 369	245 904	233 369
Telephone Allowance	14 400	-	14 400	-
Car Allowance	180 724	173 095	180 724	173 095
Company Contributions to UIF, Medical and Pension Funds	98 197	24 266	98 197	24 266
Total	882 012	981 756	882 012	981 756

Remuneration of the Chief Financial Officer

Annual Remuneration	414 296	415 212	414 296	415 212
Performance Bonus	83 509	65 221	83 509	65 221
Housing Allowance	29 895	33 116	29 895	33 116
Telephone Allowance	12 000	-	12 000	-
Car Allowance	251 603	261 191	251 603	261 191
Company Contributions to UIF, Medical and Pension Funds	116 158	22 139	116 158	22 139
Total	907 460	796 879	907 460	796 879

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011	2010	2011	2010
	R	R	R	R
Remuneration of the Manager: Economic Development				
Annual Remuneration	414 296	415 212	414 296	415 212
Performance Bonus	78 404	51 405	78 404	51 405
Housing Allowance	118 463	130 913	118 463	130 913
Telephone Allowance	12 000	-	12 000	-
Car Allowance	127 012	127 171	127 012	127 171
Company Contributions to UIF, Medical and Pension Funds	92 643	2 994	92 643	2 994
Total	842 818	727 695	842 818	727 695
Remuneration of the Manager: Infrastructure				
Annual Remuneration	182 970	384 765	182 970	384 765
Performance Bonus	63 433	64 960	63 433	64 960
Housing Allowance	-	76 611	-	76 611
Telephone Allowance	5 400	-	5 400	-
Car Allowance	69 939	104 781	69 939	104 781
Company Contributions to UIF, Medical and Pension Funds	118 366	27 240	118 366	27 240
Total	440 108	658 357	440 108	658 357

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

(Resigned 31 December 2010)

TLOKWE LOCAL MUNICIPALITY

GROUP

Remuneration of the Manager: Community Services

Annual Remuneration	414 296	358 559	414 296	358 559
Performance Bonus	69 746	60 760	69 746	60 760
Housing Allowance	144 949	105 244	144 949	105 244
Telephone Allowance	12 000	-	12 000	-
Car Allowance	75 024	146 213	75 024	146 213
Company Contributions to UIF, Medical and Pension Funds	129 753	34 736	129 753	34 736
Total	845 768	705 512	845 768	705 512

Remuneration of the Manager: Public Safety

Annual Remuneration	398 020	365 540	398 020	365 540
Performance Bonus	60 588	52 514	60 588	52 514
Housing Allowance	87 390	91 301	87 390	91 301
Telephone Allowance	12 000	-	12 000	-
Car Allowance	160 784	153 775	160 784	153 775
Company Contributions to UIF, Medical and Pension Funds	115 031	33 314	115 031	33 314
Total	833 813	696 444	833 813	696 444

Remuneration of the Manager: Housing

Annual Remuneration	398 020	365 540	398 020	365 540
Performance Bonus	66 152	57 327	66 152	57 327
Housing Allowance	54 546	62 929	54 546	62 929
Telephone Allowance	12 000	-	12 000	-
Car Allowance	134 256	133 071	134 256	133 071
Company Contributions to UIF, Medical and Pension Funds	126 172	36 414	126 172	36 414
Total	791 146	655 281	791 146	655 281

Remuneration of the Manager: Office of the Speaker

Annual Remuneration	414 296	385 151	414 296	385 151
Performance Bonus	76 390	44 542	76 390	44 542
Housing Allowance	166 889	114 638	166 889	114 638
Telephone Allowance	13 807	13 523	13 807	13 523
Car Allowance	74 597	127 933	74 597	127 933
Company Contributions to UIF, Medical and Pension Funds	120 124	108 529	120 124	108 529
Total	866 103	794 316	866 103	794 316

29. REMUNERATION OF COUNCILLORS

Executive Mayor	621 420	593 375	621 420	593 375
Speaker	500 275	478 120	500 275	478 120
Councillors Transport Allowance	2 692 624	2 560 597	2 692 624	2 560 597
Company Contributions to UIF, Medical and Pension Funds	1 433 447	1 748 329	1 433 447	1 748 329
Councillors: Housing allowance	549 374	516 088	549 374	516 088
Councillors allowances	5 450 295	4 781 448	5 450 295	4 781 448
Total Councillors' Remuneration	11 247 434	10 677 958	11 247 434	10 677 958

In-kind Benefits

The Executive Mayor, Speaker, Whip and Mayoral Committee Members are full time. Each is provided with an office and secretarial support at the cost of the council.

The Executive Mayor has use of a Council owned vehicle for official duties and a full time driver.

30. DEPRECIATION AND AMORTISATION

Depreciation and Amortisation	33 323 729	21 736 717	33 323 729	21 736 717
Total Depreciation and Amortisation	33 323 729	21 736 717	33 323 729	21 736 717
Attributable to:				
Continuing Operations	33 323 729	21 736 717	33 323 729	21 736 717
Discontinued Operations	-	-	-	-
	33 323 729	21 736 717	33 323 729	21 736 717

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011 R	2010 R	2011 R	2010 R
31. IMPAIRMENT LOSSES				
30.1 Impairment Losses on Financial Assets				
Impairment Losses Recognised:	17 549 168	13 656 504	17 549 168	13 656 504
Consumer Debtors - Recoveries	(523 563)	(186 377)	(523 563)	(186 377)
Consumer debtors - Provision	(13 394 713)	(1 571 544)	(13 394 713)	(1 571 544)
Consumer debtors - Written off	30 439 448	16 436 756	30 439 448	16 436 756
Debtors - Arrangements	1 027 996	(1 022 331)	1 027 996	(1 022 331)
Total Impairment Losses	17 549 168	13 656 504	17 549 168	13 656 504
Attributable to:				
Continuing Operations	17 549 168	13 656 504	17 549 168	13 656 504
Discontinued Operations	-	-	-	-
	17 549 168	13 656 504	17 549 168	13 656 504
32. FINANCE COSTS				
Loans and Payables at amortised cost	3 316 728	4 325 477	3 316 728	4 325 477
Other	67 059	62 670	67 059	62 670
Total Interest Expense	3 383 788	4 388 147	3 383 788	4 388 147
Less: Amounts included in the Cost of qualifying Assets	-	-	-	-
Total Interest Paid on External Borrowings	3 383 788	4 388 147	3 383 788	4 388 147
Attributable to:				
Continuing Operations	3 383 788	4 388 147	3 383 788	4 388 147
Discontinued Operations	-	-	-	-
	3 383 788	4 388 147	3 383 788	4 388 147
33. BULK PURCHASES				
Electricity	202 565 784	162 236 942	202 565 784	162 236 942
Water	6 143 542	4 026 435	6 143 542	4 026 435
Total Bulk Purchases	208 709 326	166 263 376	208 709 326	166 263 376
Bulk Purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom.				
34. GRANTS AND SUBSIDIES PAID				
Indigents	28 147 631	21 336 302	28 147 631	21 336 302
Other	3 217 833	3 641 283	3 217 833	3 641 283
Total Grants and Subsidies	31 365 464	24 977 585	31 365 464	24 977 585

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

35. GENERAL EXPENSES & MAINTENANCE

TLOKWE LOCAL MUNICIPALITY

GROUP

Accommodation for officials	5 982	14 680	5 982	14 680
Administrative costs	11 000	-	11 000	-
Advertisements	594 697	535 174	594 697	535 174
Airport expenses	965 887	24 798 634	965 887	24 798 634
Allowance: Tender / Audit committee	1 408	65 303	1 408	65 303
Ammunition	24 921	18 874	24 921	18 874
Annual contribution: Treasure Route	20 000	20 000	20 000	20 000
Antiseptic and Detergents	45 229	42 211	45 229	42 211
Assessment Rates	116 501	119 199	116 501	119 199
Bank charges	1 528 179	1 393 020	1 528 179	1 393 020
Braai Grids	12 343	12 052	12 343	12 052
Chemicals	1 474 080	1 799 213	1 474 080	1 799 213
Clean up operation: City	3 900 066	5 390 963	3 900 066	5 390 963
Cleaning materials	506 364	337 802	506 364	337 802
Commission	2 247 539	3 338 688	2 247 539	3 338 688
Community Development	549 166	583 724	549 166	583 724
Compassionate fund	223 622	115 323	223 622	115 323
Contribution: Freedom Day Celebrations	255 089	4 900	255 089	4 900
Conveyancing	61 891	81 427	61 891	81 427
Copy paper and equipment	30 742	29 022	30 742	29 022
Corporate gifts	102 156	94 894	102 156	94 894
Decorative requirements	2 338	2 603	2 338	2 603
Deputations: Travelling fees	2 273 270	1 900 999	2 273 270	1 900 999
Detergents	8 244	6 711	8 244	6 711
Development: Tourism	148 214	122 264	148 214	122 264
Digging of graves	36 164	33 573	36 164	33 573
Disaster emergency fund	556 559	-	556 559	-
Discretionary fund	313 005	465 320	313 005	465 320
Display poster and banners	14	1 608	14	1 608
Documentation	2	1 277	2	1 277
Donations	48 713	404 579	48 713	404 579
Drawing requirements	12 817	12 758	12 817	12 758
Eco-circles	393 051	287 370	393 051	287 370
Electricity used	15 415 514	11 508 447	15 415 514	11 508 447
Emergency services	23 470	34 315	23 470	34 315
Executive Mayor Fund	229 139	214 529	229 139	214 529
Executive Mayor: Special Projects	278 250	582 228	278 250	582 228
Extention services	25 685	21 945	25 685	21 945
Fertilisation	49 471	36 789	49 471	36 789
Field maps	7 033	10 326	7 033	10 326
First Aid Provisions	17 315	10 298	17 315	10 298
Flocculating Agents	58 996	52 008	58 996	52 008
Fuel and Oil	315 784	310 411	315 784	310 411
Functions	360	212	360	212
GIS: Maps	15 619	236	15 619	236
GPRS Usage Cost	1 723	180 924	1 723	180 924
Hire of equipment	22 858	23 057	22 858	23 057
Incentives	17 500	27 500	17 500	27 500
Indigent funerals	271 243	197 277	271 243	197 277
Indirect Material	12 266	10 797	12 266	10 797
Industrial Council Levy	49 447	45 289	49 447	45 289
Insurance	2 264 935	3 277 068	2 264 935	3 277 068
International Relationships	284 158	176 064	284 158	176 064
Internet	250 000	3 894	250 000	3 894
Irrigation water	42 078	87 856	42 078	87 856
Walter Sisulu Avenue Forum	263 158	202 632	263 158	202 632
Laboratory requirements	271 632	85 567	271 632	85 567
Laundry	18 962	22 768	18 962	22 768
SALGA membership	1 104 902	930 783	1 104 902	930 783
Levies Computer Services & Skills Development	1 479 871	1 339 961	1 479 871	1 339 961
Liaison requirements	4 495	2 425	4 495	2 425
License fees	677 547	670 949	677 547	670 949
Loss control	12 706	25 631	12 706	25 631
Lost books, records and art copies	4 829	-	4 829	-
Magazines and reference work	64 781	65 191	64 781	65 191
Marketing brochures	664 133	642 290	664 133	642 290
Materials	1 794	1 453	1 794	1 453
Mayoral advisory committee	27 297	41 739	27 297	41 739
Mayoral allowance: General	121 014	77 562	121 014	77 562
Mayoral allowance: Personal	26 118	22 438	26 118	22 438
Meals: Overtime workers	259 509	93 371	259 509	93 371
Moorriver Mall: Craft Holdings	-	3 584 600	-	3 584 600

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	TLOKWE LOCAL MUNICIPALITY		GROUP	
Expenses: Other	2 916 224	5 200 856	2 916 224	5 200 856
Printing and stationary	2 667 970	2 530 711	2 667 970	2 530 711
Projects	200 333	201 188	200 333	201 188
Purchase of books and tapes	143 635	161 665	143 635	161 665
Railway: Departmental	5 120	5 592	5 120	5 592
Receptions	1 051 019	940 975	1 051 019	940 975
Recreation programs	51 924	40 212	51 924	40 212
Refreshments	64 268	77 879	64 268	77 879
Rental equipment	3 126 506	3 162 747	3 126 506	3 162 747
Sanitation	669 649	548 155	669 649	548 155
Seed and bulbs	4 861	5 042	4 861	5 042
SDR Dolomite Research Program	1 463 000	-	1 463 000	-
SMME Development	117 740	-	117 740	-
Sport recreations	134 488	62 831	134 488	62 831
Sprays	120 291	57 942	120 291	57 942
Stamps	1 229 571	199 452	1 229 571	199 452
Star grading for council venues	47 781	1 203 455	47 781	1 203 455
Subscriptions	22 403	39 020	22 403	39 020
Telephone	465 932	8 208	465 932	8 208
Tlokwe news paper	384 798	372 164	384 798	372 164
Toiletries	111 607	402 970	111 607	402 970
Track suits	-	161 030	-	161 030
Training	59 658	108 375	59 658	108 375
Insurance: Housing	1 487	90 579	1 487	90 579
Valuation roll	-	8 375	-	8 375
Ward committee ceremony	611 908	-	611 908	-
Water consumption	1 551 986	593 993	1 551 986	593 993
Weed killer	65 494	1 519 482	65 494	1 519 482
Welding materials	5 930	137 903	5 930	137 903
Womens Day celebration	212 549	5 392	212 549	5 392
World Cup: 2010	335 794	266 064	335 794	266 064
Youth Day celebrations	234 571	3 668 342	234 571	3 668 342
General expense & Maintenance	39 363 349	37 776 863	39 370 691	37 776 863
Total General Expenses	98 566 687	126 212 455	98 574 029	126 212 455

The amounts disclosed above for Other General Expenses are in respect of costs incurred in the general management of the municipality and not direct attributable to a specific service or class of expense. Inter-departmental Charges are charged to other trading and economic services for support services rendered.

36. CHANGE IN ACCOUNTING POLICY

Accounting for revenue from non-exchange transactions:

The Municipality opted to develop an accounting policy based on GRAP 23, Revenue from Non-exchange Transactions. Previously under GAMAP 9, the Municipality would recognise a liability if restrictions exist on the use of the resources received. The effect of the change in accounting policy is that the Municipality now only recognises a liability from government grants received, only if restrictions exist on the use of the resources received and it is required to repay any funds not utilised in accordance with those restrictions.

The comparative amounts have not been restated.

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

TLOKWE LOCAL MUNICIPALITY

37. CORRECTION OF ERROR

Corrections were made and appropriated to the Accumulated Surplus Account during the financial years ended 30 June.

	<u>2009</u>	<u>GROUP 2009</u>
Details of the appropriations are as follows:		
Opening balance surplus account	437 618 159	437 618 159
<i>Unappropriated Surplus Account:</i>		
Correction to Land Stock	573 010 060	573 010 060
Correction of reserves	481 413 517	481 413 517
Correction of Property, Plant & Equipment	127 955 528	127 955 528
Correction of Land	42 925 000	42 925 000
Correction of Intangible assets	76 153	76 153
Correction of Trade Receivables from Non-Exchange Transactions - Traffic Fines	(3 218 326)	(3 218 326)
Increase / (Decrease) in Unappropriated Surplus Account	<u>1 222 161 932</u>	<u>1 222 161 932</u>
Closing balance Surplus Account	1 659 780 091	1 659 780 091

Land Held for Sale

During the asset identification project land was identified where title deed registration has not taken place. This land was included in the land held for sale register as the properties are still registered with the deed office as council land.

Reserves

Correction of assets incorrectly classified as revaluation reserve was reclassified as accumulated surplus

Property, Plant & Equipment

During the drafting of the 2008/2009 financial statements assets were incorrectly disposed. The correction of error is the correction of these assets that were incorrectly disposed.

Intangible assets

During the drafting of the 2008/2009 financial statements assets were incorrectly disposed. The correction of error is the correction of these assets that were incorrectly disposed.

Land

1. Land value was not correct on register. (R5 125 000)
2. Land was not on 30 June 2010 fixed asset register. (R48 100 000)
3. Property on register not in the name of council was corrected. (R50 000)

37.1 Reclassification of Expenditure

The prior year figures of Expenditure Classes have been restated to correctly classify the nature of Expenditure of the municipality.

The effect of the Correction of Error is as follows:

	TLOKWE LOCAL MUNICIPALITY		
	2009/2010	Adjustment	Restated
	Expenditure		Amount
Repairs & Maintenance	37 776 863	(37 776 863)	-
Finance cost	4 809 013	(420 866)	4 388 147
General expense	88 460 379	37 752 076	126 212 455
	<u>93 269 392</u>	<u>37 331 210</u>	<u>130 600 602</u>

The effect of the Correction of Error is as follows:

	GROUP		
	2009/2010	Adjustment	Restated
	Expenditure		Amount
Repairs & Maintenance	37 776 863	(37 776 863)	-
Finance cost	4 809 013	(420 866)	4 388 147
General expense	88 460 379	37 752 076	126 212 455
	<u>93 269 392</u>	<u>37 331 210</u>	<u>130 600 602</u>

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

TLOKWE LOCAL MUNICIPALITY

Nature

Finance cost

Finance cost was restated due to interest being written back by SARS at no cost to council.

General expenses & Repairs and Maintenance

Repairs & Maintenance was reclassified to General expenses & Maintenance.

37.2 Reclassification of Statement of Financial Position

The prior year balances of items on the Statement of Financial Position have been restated to correctly classify the nature of the balances.

The effect of the Correction of Error is as follows:

	TLOKWE LOCAL MUNICIPALITY		
	2009/2010	Adjustment	Restated Amount
	Current Assets		
Inventory	190 463 166	571 331 760	761 794 926
Trade Receivables from Non-Exchange Transactions	51 187 127	3 773 622	47 413 505
	241 650 293	575 105 382	809 208 432

The effect of the Correction of Error is as follows:

	GROUP		
	2009/2010	Adjustment	Restated Amount
	Current Assets		
Inventory	190 463 166	571 331 760	761 794 926
Trade Receivables from Non-Exchange Transactions	51 187 127	3 773 622	47 413 505
	241 650 293	575 105 382	809 208 432

Inventory

Inventory was restated with the correction of land held for sale due to title deed registration of properties which have not taken place (R616 010 060).

Inventory was restated due to Land that was incorrectly classified as Land Stock (R1 678 300) .

Land was incorrectly classified as inventory (R43 000 000)

Trade Receivables from Non-Exchange Transactions

Trade Receivables from Non-Exchange Transactions were restated due to the following reasons:

1. Being opening balance correction 2008/2009 incorrectly posted on system.(R580 084)
2. Sale of erven debtor balance correction.(R3 218 324)
3. Youth Centre to repay municipal account.(R24 787)

The effect of the Correction of Error is as follows:

	TLOKWE LOCAL MUNICIPALITY		
	2009/2010	Adjustment	Restated Amount
	Non-Current Assets		
Property, Plant & Equipment	758 370 796	172 558 828	930 929 624
Intangible Assets	112 436	76 153	188 589
	758 483 232	172 634 981	931 118 214

The effect of the Correction of Error is as follows:

	GROUP		
	2009/2010	Adjustment	Restated Amount
	Non-Current Assets		
Property, Plant & Equipment	758 370 796	172 558 828	930 929 624
Intangible Assets	112 436	76 153	188 589
	758 483 232	172 634 981	931 118 214

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

TLOKWE LOCAL MUNICIPALITY

Nature

Property, Plant & Equipment

1. Property, Plant & Equipment was restated due to Land that was incorrectly classified as Land Stock (R1 678 300).
2. During the drafting of the 2008/2009 financial statements assets were incorrectly disposed. The correction of error is the correction of these assets that were incorrectly disposed. (R127 508 828) - Refer to App B for detail.
3. Land was not on 30 June 2010 fixed asset register (R5 100 000)
4. Land on register not in the name of council was corrected. (R50 000)
5. Land value was not correct on fixed asset register.(R5 125 000)
6. Land was incorrectly classified as inventory (R43 000 000)

Intangible Assets

1. During the drafting of the 2008/2009 financial statements assets were incorrectly disposed. The correction of error is the correction of these assets that were incorrectly disposed. (R76 153) - Refer to App B for detail.

The effect of the Correction of Error is as follows:

	TLOKWE LOCAL MUNICIPALITY		
	2009/2010	Adjustment	Restated
	Current Liabilities		Amount
Creditors	72 887 786	(1 000 950)	71 886 836
	72 887 786	(1 000 950)	71 886 836

The effect of the Correction of Error is as follows:

	GROUP		
	2009/2010	Adjustment	Restated
	Current Liabilities		Amount
Creditors	72 887 786	(1 000 950)	71 886 836
	72 887 786	(1 000 950)	71 886 836

Nature

Creditors

Creditors were restated due to the following reasons:

1. SARS interest written back.
2. Sale of erven debtor correction.

38. CASH GENERATED BY OPERATIONS

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011	2010	2011	2010
	R	R	R	R
Surplus / (Deficit) for the Year	41 155 935	77 184 622	41 226 623	77 185 062
Adjustment for:				
Other non cash flow items	-	181 832	-	181 832
Realisation of Land Transfers	24 045 000	-	24 045 000	-
Other non cash flow items - Landfill site valuation	-	426 940	-	426 940
Depreciation and Amortisation	33 323 729	21 736 717	33 323 729	21 736 717
Other Movement on Intangible Assets	-	(112 436)	-	(112 436)
Contribution to Retirement Benefit Liabilities	-	15 972 033	-	15 972 033
Contribution to Performance Bonuses	-	352 651	-	352 651
Movements in provisions - Current	2 287 518	1 137 907	2 287 518	1 137 907
Movement in provision - Long-term	17 857 538	1 000 998	17 857 538	1 000 998
Expenditure incurred from Provisions	-	-	-	-
Investment Income	(24 068 370)	(25 580 839)	(24 107 285)	(25 581 379)
Finance Costs	3 383 788	4 809 013	3 383 788	4 809 013
Operating surplus before working capital changes	97 985 138	97 109 438	98 016 911	97 109 338
(Increase)/Decrease in Inventories	(222 437)	3 525 355	(222 437)	3 525 355
(Increase)/Decrease in Trade Receivables From Exchange Transactions	(6 108 891)	(16 358 856)	(6 108 891)	(16 358 856)
(Increase)/Decrease in Trade Receivables From Non-Exchange Transactions	(5 821 568)	(28 312 733)	(5 821 568)	(28 312 733)
(Increase)/Decrease in Short-term portion of long-term receivable	-	(229 620)	-	(229 620)
Increase/(Decrease) in Consumer Deposits	855 137	669 668	855 137	669 668
Increase/(Decrease) in Creditors	52 863 165	5 146 818	52 539 747	5 477 578
Increase/(Decrease) in Conditional Grants and Receipts	(1 023 515)	(11 796 991)	(1 023 515)	(11 796 991)
Long-term receivables	-	1 784 660	-	1 784 660
Cash generated by / (utilised in) Operations	138 527 029	51 537 740	138 235 384	51 868 400

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

39. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

TLOKWE LOCAL MUNICIPALITY

GROUP

	2011 R	2010 R	2011 R	2010 R
39.1 Unauthorised Expenditure				
Reconciliation of Unauthorised Expenditure:				
Opening balance	61 105 990	15 145 080	61 105 990	15 145 080
Unauthorised Expenditure current year	22 313 235	45 960 910	22 313 235	45 960 910
Approved by Council or condoned	-	-	-	-
To be recovered – contingent asset	-	-	-	-
Transfer to receivables for recovery	-	-	-	-
Unauthorised Expenditure awaiting authorisation	<u>83 419 225</u>	<u>61 105 990</u>	<u>83 419 225</u>	<u>61 105 990</u>

Incident	Details	Amount	Action taken
Total Unauthorised Expenditure	<i>Overexpenditure on budget</i>	<i>22 313 235</i>	<i>Refer note below</i>

Note

Council to investigate above expenditure and institute actions where required and report findings to council for further attention.

39.2 Fruitless and Wasteful Expenditure

TLOKWE LOCAL MUNICIPALITY

GROUP

	2011	2010	2011	2010
Reconciliation of Fruitless and Wasteful expenditure:				
Opening balance	1 126 504	-	1 126 504	-
Fruitless and Wasteful Expenditure current year	314 289	1 126 504	314 289	1 126 504
Condoned or written off by Council	-	-	-	-
To be recovered – contingent asset	-	-	-	-
Transfer to receivables for recovery	-	-	-	-
Fruitless and Wasteful Expenditure awaiting condonement	<u>1 440 792</u>	<u>1 126 504</u>	<u>1 440 792</u>	<u>1 126 504</u>

Incident	Details	Amount	Action taken
<i>Deloitte Consulting (Pty) Ltd</i>	<i>Interest was charged on account due to late payment</i>	<i>928</i>	<i>Refer note below</i>
<i>Muller Mostert & Partners</i>	<i>Interest was charged on account due to late payment</i>	<i>31 147</i>	<i>Refer note below</i>
<i>Eskom</i>	<i>Interest was charged on account due to late payment</i>	<i>116 719</i>	<i>Refer note below</i>
<i>Youth Centre</i>	<i>Electricity, Sanitation & Water was paid o.b.o. Youth Centre</i>	<i>165 495</i>	<i>Refer note below</i>
		<u>314 289</u>	

Note

Council to investigate above expenditure and institute actions where required and report findings to council for further attention.

39.3 Irregular Expenditure

TLOKWE LOCAL MUNICIPALITY

GROUP

	2011	2010	2011	2010
Reconciliation of Irregular Expenditure:				
Opening balance	98 570 021	3 334 970	98 570 021	3 334 970
Irregular Expenditure current year	74 240 129	95 235 050	74 240 129	95 235 050
Condoned or written off by Council	-	-	-	-
To be recovered – contingent asset	-	-	-	-
Transfer to receivables for recovery	-	-	-	-
Irregular Expenditure awaiting condonement	<u>172 810 149</u>	<u>98 570 021</u>	<u>172 810 149</u>	<u>98 570 021</u>

Incident	Details	Amount	Action taken
Total Irregular Expenditure	<i>Non-compliance to the Municipal Supply Chain Regulations, PPPFA, PPR.</i>	<i>74 240 129</i>	<i>Refer note below</i>

Note

Council to investigate above expenditure and institute actions where required and report findings to council for further attention.

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	TLOKWE LOCAL MUNICIPALITY		GROUP	
40. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT	2011 R	2010 R	2011 R	2010 R
40.1 Contributions to organised local government - SALGA				
Opening Balance	-	-	-	-
Council Subscriptions	1 104 902	930 783	1 104 902	930 783
Amount Paid - current year	(1 104 902)	(930 783)	(1 104 902)	(930 783)
Amount Paid - previous years	-	-	-	-
Balance Unpaid (included in Creditors)	-	-	-	-
40.2 Audit Fees				
Opening Balance	-	-	-	-
Current year Audit Fee	2 641 366	2 942 482	2 641 366	2 942 482
Amount Paid - current year	(2 641 366)	(2 942 482)	(2 641 366)	(2 942 482)
Amount Paid - previous years	-	-	-	-
Balance Unpaid (included in Creditors)	-	-	-	-
40.3 VAT				
VAT inputs receivables and VAT outputs receivables are shown in Note 5. All VAT returns have been submitted by the due date throughout the year.				
40.4 PAYE and UIF				
Opening Balance	-	-	-	-
Current year Payroll Deductions	21 504 079	19 904 766	21 504 079	19 904 766
Amount Paid - current year	(21 504 079)	(19 904 766)	(21 504 079)	(19 904 766)
Amount Paid - previous years	-	-	-	-
Balance Unpaid (included in Creditors)	-	-	-	-
40.5 Pension and Medical Aid Deductions				
Opening Balance	-	-	-	-
Current year Payroll Deductions and Council Contributions	48 453 757	48 080 418	48 453 757	48 080 418
Amount Paid - current year	(48 453 757)	(48 080 418)	(48 453 757)	(48 080 418)
Amount Paid - previous years	-	-	-	-
Balance Unpaid (included in Creditors)	-	-	-	-
40.6 Councillor's arrear Consumer Accounts				
The following Councillors had arrear accounts outstanding for more than 90 days as at:				
30 JUNE 2011	Total	Outstanding up to 90 days	Outstanding more than 90 days	
Mohlope PA	2 060	278	1 782	
Hendriks CT	37 601	1 825	35 776	
Johnson CC	785	26	759	
Kham XD	1 677	311	1 366	
Mboniswa NA	164	-	164	
Total Councillor Arrear Consumer Accounts	42 286	2 439	39 847	
30 JUNE 2010	Total	Outstanding up to 90 days	Outstanding more than 90 days	
Councillor Mosenogi K N	4 987	3 282	1 705	
Total Councillor Arrear Consumer Accounts	4 987	3 282	1 705	

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

TLOKWE LOCAL MUNICIPALITY

During the year the following Councillors had arrear accounts outstanding for more than 90 days:

30 JUNE 2011

Mohlope PA
Hendriks CT
Johnson CC
Kham XD
Mboniswa NA

Highest amount outstanding	Ageing
1 692	> 150 Days
35 181	> 150 Days
751	> 150 Days
1 264	> 150 Days
164	> 120 Days

Highest amount

30 JUNE 2010

Councillor Koloti D M
Councillor Johnson M
Alderman Mampe T R
Alderman Mokgethi R H
Councillor Mogoshane M P & M L
Councillor Louw E H
Councillor Mono T B & N M
Councillor Mosenogi D M

outstanding	Ageing
8 255	>120 Days
5 323	>120 Days
750	>90 Days
1 621	>120 Days
71	>90 Days
3 510	>90 Days
168	>90 Days
1 687	>90 Days

40.7 Non-Compliance with Chapter 11 of the Municipal Finance Management Act

No known matters existed at reporting date.

40.8 Deviation from, and ratification of minor breaches of the Procurement Processes

In terms of section 36(2) of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved / condoned by the Municipal Manager and noted by Council.

The following deviations from the tender stipulations in terms of the municipality's Supply Chain Management By-law were ratified by the Municipal Manager and reported to Council:

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

TLOKWE LOCAL MUNICIPALITY

Department	Date	Successful Tenderer	Reason	Amount
Infrastructure	Year 2010/2011	Motla Engineering	Procurement process was dispensed in terms of Section 59 of Council's Supply Chain Management By-law, the company that developed the business plans and implemented the first phase of the project.	R 60 000 pm
Infrastructure	Year 2010/2011	Geo Power	To normalise the present and unsafe conditions at DS & Alpha Substations as soon as possible	2 171 000
Infrastructure	Year 2010/2011	Motla Engineering	The official procurement process be dispensed with in terms of Section 36(1) of the Municipal Supply Chain Management Regulations with regards to the extension of appointments	106 425
Infrastructure	Year 2010/2011	Rekohn Electrical	To complete 71 additional electricity connections at Mathwang Village	633 786
Housing	Year 2010/2011	Townscape Planning Solutions	The Municipal Manager indicated that he will proceed informing National Treasury, Provincial Treasury and the Auditor-General of the reasons why this tender is awarded contrary to the recommendations of the Evaluation and Adjudication Committees	493 693
Management	Year 2010/2011	Videotheque	Procurement process was dispensed in terms of Section 59 of Council's Supply Chain Management By-law.	78 125
Management	Year 2010/2011	Protoscape Events	Procurement process was dispensed in terms of Section 59 of Council's Supply Chain Management By-law.	39 750
Infrastructure	Year 2010/2011	Motla Engineering	To provide additional connections for the area not covered by the backbone network	63 035
Infrastructure	Year 2010/2011	Rekohn Electrical	To provide additional connections for the area not covered by the backbone network	803 400

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

TLOKWE LOCAL MUNICIPALITY

41. FINANCIAL INSTRUMENTS

41.1 Classification

FINANCIAL ASSETS:

In accordance with IAS 39.09 the Financial Assets of the municipality are classified as follows (FVTPL = Fair Value through Profit or Loss):

		TLOKWE LOCAL MUNICIPALITY		GROUP	
		2011	2010	2011	2010
<u>Financial Assets</u>	<u>Classification</u>				
Non-current Investments					
Fixed Deposits	Held to maturity	-	31 163 860	-	31 163 860
Long-term Receivables					
Debtors Capitalised Arrear Services	Loans and receivables	-	3 962 636	-	3 962 636
Sale of Erven	Loans and receivables	45 268	60 388	45 268	60 388
Consumer Debtors					
Assessment Rates	Loans and receivables	91 075 866	84 966 975	91 075 866	84 966 975
Electricity	Loans and receivables	27 919 642	28 101 183	27 919 642	28 101 183
Refuse	Loans and receivables	27 689 257	20 507 069	27 689 257	20 507 069
Sewerage	Loans and receivables	3 628 652	3 711 876	3 628 652	3 711 876
Water	Loans and receivables	5 342 695	4 891 755	5 342 695	4 891 755
Other Debtors	Loans and receivables	11 681 583	13 528 819	11 681 583	13 528 819
Other Debtors					
Payments made in Advance	Loans and receivables	42 733 679	42 327 457	42 733 679	42 327 457
Sundry Debtors	Loans and receivables	72 610	304 332	72 610	304 332
VAT Receivable					
VAT Control Accounts	Loans and receivables	21 273 938	18 362 016	21 273 938	18 362 016
Bank, Cash and Cash Equivalents					
Notice Deposits	Held to maturity	14 766 358	14 104 714	14 766 358	14 104 714
Bank Balances	Available for sale	97 077 604	60 503 453	97 077 604	60 503 453
Cash Floats and Advances	Available for sale	92 581 079	17 693 483	92 581 079	17 693 483
Other Cash Equivalents	Available for sale	29 142	25 992	29 142	25 992
		(1 464)	(14 850)	(1 464)	(14 850)
Current Portion of Long-term Receivables					
Car Loans	Loans and receivables	-	232 480	-	232 480
SUMMARY OF FINANCIAL ASSETS					
Short-term Investment Deposits	Call Deposits	-	-	-	-
Short-term Investment Deposits	Notice Deposits	97 077 604	60 503 453	97 077 604	60 503 453
		97 077 604	60 503 453	97 077 604	60 503 453
		TLOKWE LOCAL MUNICIPALITY	GROUP		
		2011	2010	2011	2010
Loans and Receivables					
Long-term Receivables	Debtors Capitalised Arrear Services	-	3 962 636	-	3 962 636
Long-term Receivables	Sale of Erven	45 268	60 388	45 268	60 388
Consumer Debtors	Assessment Rates	27 919 642	28 101 183	27 919 642	28 101 183
Consumer Debtors	Electricity	27 689 257	20 507 069	27 689 257	20 507 069
Consumer Debtors	Refuse	3 628 652	3 711 876	3 628 652	3 711 876
Consumer Debtors	Sewerage	5 342 695	4 891 755	5 342 695	4 891 755
Consumer Debtors	Water	11 681 583	13 528 819	11 681 583	13 528 819
Consumer Debtors	Other Debtors	42 733 679	42 327 457	42 733 679	42 327 457
Other Debtors	Payments made in Advance	72 610	304 332	72 610	304 332
Other Debtors	Sundry Debtors	21 273 938	18 362 016	21 273 938	18 362 016
VAT Receivable	VAT Control Accounts	14 766 358	14 104 714	14 766 358	14 104 714
Current Portion of Long-term Receivables	Car Loans	-	232 480	-	232 480
		155 153 682	150 094 724	155 153 682	150 094 724
Available for Sale:					
Bank Balances and Cash	Bank Balances	92 581 079	17 693 483	92 581 079	17 693 483
Bank Balances and Cash	Cash Floats and Advances	29 142	25 992	29 142	25 992
Bank Balances and Cash	Other Cash Equivalents	(1 464)	(14 850)	(1 464)	(14 850)
		92 608 758	17 704 625	92 608 758	17 704 625
Total Financial Assets		344 840 043	228 302 801	344 840 043	228 302 801

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

FINANCIAL LIABILITIES:

In accordance with IAS 39.09 the Financial Liabilities of the municipality are classified as follows (FVTPL = Fair Value through Profit or Loss):

<u>Financial Liabilities</u>	<u>Classification</u>	TLOKWE LOCAL MUNICIPALITY		GROUP	
		2011	2010	2011	2010
Long-term Liabilities					
Annuity Loans	Financial liabilities at amortised cost	21 007 586	21 919 518	21 007 586	21 919 518
Consumer Deposits					
Electricity and Water	Financial liabilities at amortised cost	10 757 649	9 902 512	10 757 649	9 902 512
Creditors					
Trade Creditors	Financial liabilities at amortised cost	11 667 643	10 345 141	11 667 643	10 345 141
Payments received in Advance	Financial liabilities at amortised cost	8 832 829	9 433 191	8 832 829	9 433 191
Accruals	Financial liabilities at amortised cost	3 303 541	3 375 268	3 303 541	3 375 268
Sundry Deposits	Financial liabilities at amortised cost	-	490 696	-	490 696
Other Creditors	Financial liabilities at amortised cost	100 945 988	48 242 541	100 945 988	48 242 541
Unspent Conditional Grants and Receipts					
National Government Grants	Financial liabilities at amortised cost	5 180 786	3 364 244	5 180 786	3 364 244
Provincial Government Grants	Financial liabilities at amortised cost	4 040 122	6 529 820	4 040 122	6 529 820
Local Government Grants	Financial liabilities at amortised cost	90 207	118 587	90 207	118 587
Other Spheres of Government	Financial liabilities at amortised cost	1 256 957	1 256 957	1 256 957	1 256 957
Developers Contributions	Financial liabilities at amortised cost	1 301 670	1 623 649	1 301 670	1 623 649
Current Portion of Long-term Liabilities					
Annuity Loans	Financial liabilities at amortised cost	882 367	767 944	882 367	767 944
Financial Liabilities at Amortised Cost:					
Long-term Liabilities	Annuity Loans	21 007 586	21 919 518	21 007 586	21 919 518
Consumer Deposits	Electricity and Water	10 757 649	9 902 512	10 757 649	9 902 512
Creditors	Leave provision	11 667 643	10 345 141	11 667 643	10 345 141
Creditors	Payments received in Advance	8 832 829	9 433 191	8 832 829	9 433 191
Creditors	Retentions	8 171 475	8 433 936	8 171 475	8 433 936
Creditors	Provisions	3 303 541	3 375 268	3 303 541	3 375 268
Creditors	Other Creditors	92 774 513	40 299 301	92 774 513	40 299 301
Unspent Conditional Grants and Receipts	National Government Grants	5 180 786	3 364 244	5 180 786	3 364 244
Unspent Conditional Grants and Receipts	Provincial Government Grants	4 040 122	6 529 820	4 040 122	6 529 820
Unspent Conditional Grants and Receipts	Local Government Grants	90 207	118 587	90 207	118 587
Unspent Conditional Grants and Receipts	Other Spheres of Government	1 256 957	1 256 957	1 256 957	1 256 957
Unspent Conditional Grants and Receipts	Developers Contributions	1 301 670	1 623 649	1 301 670	1 623 649
Unspent Conditional Grants and Receipts	Public Contributions	-	-	-	-
Short-term Loans	Call Bonds	-	475 583	-	475 583
Current Portion of Long-term Liabilities	Annuity Loans	882 367	767 944	882 367	767 944
		169 267 345	117 845 649	169 267 345	117 845 649
Total Financial Liabilities		169 267 345	117 845 649	169 267 345	117 845 649

41.2 Fair Value

The Fair Values of Financial Assets and Financial Liabilities are determined as follows:

- the Fair Value of Financial Assets and Financial Liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices;

In accordance with IAS 39.09 the Fair Values of Financial Assets and Financial Liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

The management of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statements approximate their fair values. The fair value of Financial Assets and Financial Liabilities were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratio's of the municipality's debtors.

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

TLOKWE LOCAL MUNICIPALITY

	30 JUNE 2011		30 JUNE 2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	R	R	R	R
FINANCIAL ASSETS				
Held to maturity:				
Notice Deposits	97 077 604	97 077 604	60 503 453	60 503 453
	<u>97 077 604</u>	<u>97 077 604</u>	<u>60 503 453</u>	<u>60 503 453</u>

GROUP

	30 JUNE 2011		30 JUNE 2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	R	R	R	R
FINANCIAL ASSETS				
Held to maturity:				
Notice Deposits	97 077 604	97 077 604	60 503 453	60 503 453
	<u>97 077 604</u>	<u>97 077 604</u>	<u>60 503 453</u>	<u>60 503 453</u>

TLOKWE LOCAL MUNICIPALITY

	30 JUNE 2011		30 JUNE 2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	R	R	R	R
Loans and Receivables	155 153 682	155 153 682	150 094 724	150 094 724
Consumer Debtors	118 995 508	118 995 508	113 068 159	113 068 159
Long-term receivables	45 268	45 268	4 023 024	4 023 024
Current Portion of Long-term Receivables	-	-	232 480	232 480
Other Debtors	21 346 548	21 346 548	18 666 348	18 666 348
VAT Receivable	14 766 358	14 766 358	14 104 714	14 104 714
Available for Sale	92 608 758	92 608 758	17 704 625	17 704 625
Bank Balances and Cash	<u>92 608 758</u>	<u>92 608 758</u>	<u>17 704 625</u>	<u>17 704 625</u>
Total Financial Assets	<u>344 840 043</u>	<u>344 840 043</u>	<u>228 302 801</u>	<u>228 302 801</u>

GROUP

	30 JUNE 2011		30 JUNE 2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	R	R	R	R
Loans and Receivables	155 153 682	155 153 682	150 094 724	150 094 724
Consumer Debtors	118 995 508	118 995 508	113 068 159	113 068 159
Long-term receivables	45 268	45 268	4 023 024	4 023 024
Current Portion of Long-term Receivables	-	-	232 480	232 480
Other Debtors	21 346 548	21 346 548	18 666 348	18 666 348
VAT Receivable	14 766 358	14 766 358	14 104 714	14 104 714
Available for Sale	92 608 758	92 608 758	17 704 625	17 704 625
Bank Balances and Cash	<u>92 608 758</u>	<u>92 608 758</u>	<u>17 704 625</u>	<u>17 704 625</u>
Total Financial Assets	<u>366 757 948</u>	<u>366 757 948</u>	<u>280 867 508</u>	<u>280 867 508</u>

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

TLOKWE LOCAL MUNICIPALITY

	30 JUNE 2011		30 JUNE 2010	
	Carrying Amount R	Fair Value R	Carrying Amount R	Fair Value R
FINANCIAL LIABILITIES				
Designated as FVTPL:	169 267 345	169 267 345	117 845 649	117 845 649
Local Registered Stock Loans	-	-	-	-
Unsecured Bank Facilities:	21 007 586	21 007 586	21 919 518	21 919 518
- Annuity Loans	21 007 586	21 007 586	21 919 518	21 919 518
Trade and Other Payables:	148 259 758	148 259 758	95 926 132	95 926 132
- Consumer Deposits	10 757 649	10 757 649	9 902 512	9 902 512
- Creditors	124 750 001	124 750 001	71 886 836	71 886 836
- Unspent Conditional Grants	11 869 742	11 869 742	12 893 257	12 893 257
- Current Portion of Long-term Liabilities	882 367	882 367	767 944	767 944
Total Financial Liabilities	169 267 345	169 267 345	117 845 649	117 845 649
Total Financial Instruments	175 572 699	175 572 699	110 457 152	110 457 152

GROUP

	30 JUNE 2011		30 JUNE 2010	
	Carrying Amount R	Fair Value R	Carrying Amount R	Fair Value R
FINANCIAL LIABILITIES				
Designated as FVTPL:	169 267 345	169 267 345	117 845 649	117 845 649
Local Registered Stock Loans	-	-	-	-
Unsecured Bank Facilities:	21 007 586	21 007 586	21 919 518	21 919 518
- Annuity Loans	21 007 586	21 007 586	21 919 518	21 919 518
Trade and Other Payables:	148 259 758	148 259 758	95 926 132	95 926 132
- Consumer Deposits	10 757 649	10 757 649	9 902 512	9 902 512
- Creditors	124 750 001	124 750 001	71 886 836	71 886 836
- Unspent Conditional Grants	11 869 742	11 869 742	12 893 257	12 893 257
- Current Portion of Long-term Liabilities	882 367	882 367	767 944	767 944
Total Financial Liabilities	169 267 345	169 267 345	117 845 649	117 845 649
Total Financial Instruments	175 572 699	175 572 699	110 457 152	110 457 152

41.3 Capital Risk Management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2010.

The capital structure of the municipality consists of debt, which includes the Long-term Liabilities disclosed in Note 17, Bank, Cash and Cash Equivalents and Equity, comprising Funds, Reserves and Accumulated Surplus as disclosed in Note 21 and the Statement of Changes in Net Assets.

Gearing Ratio

The gearing ratio at the year-end was as follows:

	TLOKWE LOCAL MUNICIPALITY		TLOKWE LOCAL MUNICIPALITY	
	2011 R	2010 R	2011 R	2010 R
Debt	21 889 953	22 687 462	21 889 953	22 687 462
Bank, Cash and Cash Equivalents	189 657 219	78 182 085	189 657 219	78 182 085
Net Debt	211 547 172	100 869 547	211 547 172	100 869 547
Equity	1 790 018 613	1 748 862 678	1 790 018 613	1 748 862 678
Net debt to equity ratio	11.82%	5.77%	11.82%	5.77%

Debt is defined as Long- and Short-term Liabilities, as detailed in Note 17.

Equity includes all Funds and Reserves of the municipality, disclosed as Net Assets in the Statement of Financial Performance.

TLOKWE LOCAL MUNICIPALITY

41.4 Financial Risk Management Objectives

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The municipality's Finance department provides services to the municipality, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the municipality through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Department of Finance monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

41.5 Significant Accounting Policies

Details of the significant Accounting Policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in the Accounting Policies to the Annual Financial Statements.

41.6 Market Risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates. No formal policy exists to hedge volatilities in the interest rate market.

41.7 Interest Rate Risk Management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection By-law.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is exposed to interest rate risk as the municipality borrows funds at both fixed and floating interest rates. The risk is managed by the municipality by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring optimal hedging strategies are applied, by either positioning the balance sheet or protecting interest expense through different interest rate cycles.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

TLOKWE LOCAL MUNICIPALITY

41.8 Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound Credit Control and Debt Collection By-law and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses other publicly available financial information and its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the municipality uses other publicly available financial information and its own trading records to rate its major customers. The municipality's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Potential concentrations of credit rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.

Trade Receivables consist of a large number of customers, spread across different industries in the geographical area of the municipality. Periodic credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee is increased accordingly.

Consumer Debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection By-law.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 5% of gross monetary assets at any time during the year. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Except as detailed in the following table, the carrying amount of financial assets recorded in the Annual Financial Statements, which is net of impairment losses, represents the municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained:

	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011	2010	2011	2010
	R	R	R	R
The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:				
Fixed Deposit Investments	-	31 163 860	-	31 163 860
Long-term Receivables	45 268	3 790 544	45 268	3 790 544
Consumer Debtors	10 757 649	84 966 975	10 757 649	84 966 975
Trade Receivables from Non-Exchange Transactions	53 235 073	47 413 505	53 235 073	47 413 505
Bank, Cash and Cash Equivalents	189 657 219	78 182 085	189 657 219	78 182 085
Maximum Credit and Interest Risk Exposure	253 695 208	245 516 969	253 695 208	245 516 969

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

41. FINANCIAL INSTRUMENTS (Continued)

41.9. Effective Interest Rates and Repricing Analysis

In accordance with IFRS 7.40 the following tables indicate the average effective interest rates of Income-earning Financial Assets and Interest-bearing Financial Liabilities at the reporting date and the periods in which they mature or, if earlier, reprice:

30 JUNE 2011 - TLOKWE LOCAL MUNICIPALITY

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
		%	R	R	R	R		R
FIXED RATE INSTRUMENTS								
Held-to-maturity Investments			-	-	-	-	-	-
Fixed Deposits	10		-	-	-	-	-	-
Total Fixed Rate Instruments			-	-	-	-	-	-
VARIABLE RATE INSTRUMENTS								
Short-term Investment Deposits	6	6.06%	97 077 604	97 077 604	-	-	-	-
Bank Balances and Cash	6	6.06%	92 579 615	92 579 615	-	-	-	-
Total Fixed Rate Instruments			189 657 219	189 657 219	-	-	-	-

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

30 JUNE 2011 - GROUP

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
FIXED RATE INSTRUMENTS		%	R	R	R	R		R
Held-to-maturity Investments			-	-	-	-	-	-
Fixed Deposits	10		-	-	-	-	-	-
Total Fixed Rate Instruments			-	-	-	-	-	-
VARIABLE RATE INSTRUMENTS								
Short-term Investment Deposits	6	6.06%	11 384 892	11 384 892	-	-	-	-
Bank Balances and Cash	6	6.06%	(3 332 268)	(3 332 268)	-	-	-	-
Total Fixed Rate Instruments			8 052 624	8 052 624	-	-	-	-

30 JUNE 2010 - TLOKWE LOCAL MUNICIPALITY

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
FIXED RATE INSTRUMENTS	#	%	R	R	R	R		R
Held-to-maturity Investments	10	5.50%	31 163 860	-	-	31 163 860	-	-
Fixed Deposits			31 163 860	-	-	31 163 860	-	-
Total Fixed Rate Instruments			25 745 475	-	-	31 163 860	-	-
VARIABLE RATE INSTRUMENTS								
Short-term Investment Deposits	6	5.50%	60 503 453	60 503 453	-	-	-	-
Bank Balances and Cash	6	5.50%	17 678 632	17 678 632	-	-	-	-
Total Fixed Rate Instruments			78 182 085	78 182 085	-	-	-	-

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

30 JUNE 2010 - GROUP

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	%	R	R	R	R		R
FIXED RATE INSTRUMENTS								
Held-to-maturity Investments	10	5.50%	31 163 860	-	-	31 163 860	-	-
Fixed Deposits			31 163 860	-	-	31 163 860	-	-
Total Fixed Rate Instruments			31 163 860	-	-	31 163 860	-	-
VARIABLE RATE INSTRUMENTS								
Short-term Investment Deposits	6	5.50%	60 503 453	60 503 453	-	-	-	-
Bank Balances and Cash	6	5.50%	17 678 632	17 678 632	-	-	-	-
Total Fixed Rate Instruments			78 182 085	78 182 085	-	-	-	-

41.10 Other Price Risks

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

41.11 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in Note 47 is a listing of additional undrawn facilities that the municipality has at its disposal to further reduce liquidity risk (cash).

Liquidity and Interest Risk Tables

The following tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay. The table includes both interest and principal cash flows.

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

TLOKWE LOCAL MUNICIPALITY

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	%	R	R	R	R		R
30 JUNE 2011								
Variable Interest Rate Instruments - DBSA Loan	17	14.79%	585 257	18 528	18 528	43 136	174 989	330 075
Variable Interest Rate Instruments - DBSA Loan	17	14.98%	4 595 993	117 747	117 747	274 998	1 125 881	2 959 619
Variable Interest Rate Instruments - DBSA Loan	17	14.98%	16 708 704	321 023	321 023	751 391	3 059 517	12 255 749
			21 889 954	457 299	457 298	1 069 525	4 360 388	15 545 444
30 JUNE 2010								
Variable Interest Rate Instruments - DBSA Loan	17	10.50%	617 497	18 528	18 528	43 136	174 989	362 315
Variable Interest Rate Instruments - DBSA Loan	17	10.50%	4 800 888	117 747	117 747	274 998	1 125 881	3 164 514
Variable Interest Rate Instruments - DBSA Loan	17	10.50%	17 269 077	321 023	321 023	751 391	3 059 517	12 816 122
			22 687 462	457 299	457 298	1 069 525	4 360 388	16 342 951

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

GROUP

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	%	R	R	R	R		R
30 JUNE 2011								
Variable Interest Rate Instruments - DBSA Loan	17	14.79%	585 257	18 528	18 528	43 136	174 989	330 075
Variable Interest Rate Instruments - DBSA Loan	17	14.98%	4 595 993	117 747	117 747	274 998	1 125 881	2 959 619
Variable Interest Rate Instruments - DBSA Loan	17	14.98%	16 708 704	321 023	321 023	751 391	3 059 517	12 255 749
			21 889 954	457 299	457 298	1 069 525	4 360 388	15 545 444
30 JUNE 2010								
Variable Interest Rate Instruments - DBSA Loan	17	10.50%	617 497	18 528	18 528	43 136	174 989	362 315
Variable Interest Rate Instruments - DBSA Loan	17	10.50%	4 800 888	117 747	117 747	274 998	1 125 881	3 164 514
Variable Interest Rate Instruments - DBSA Loan	17	10.50%	17 269 077	321 023	321 023	751 391	3 059 517	12 816 122
			22 687 462	457 299	457 298	1 069 525	4 360 388	16 342 951

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

2011
R

2010
R

42. MULTI-EMPLOYER RETIREMENT BENEFIT INFORMATION

All councillors belong to the Pension Fund for Municipal Councillors.

Employees belong to a variety of approved Pension and Provident Funds as described below.

These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

The Municipal Councillors Fund and the Municipal Gratuity Fund are defined contribution plans. All of these afore-mentioned funds are multi-employer plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:-

- (i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.
- (ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

Municipal Councillors Pension Fund:

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13,75%) and Council (15,00%) is sufficient to fund the benefits accruing from the fund in the future.

Municipal Employees Pension Fund:

The Municipal Employees Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (7.5%) and Council (22,00%) is sufficient to fund the benefits accruing from the fund in the future.

Municipal Gratuity Fund:

The Municipal Gratuity Fund operates as a defined contribution scheme. The contribution rate paid by the members (7.5%) and Council (22,00%) is sufficient to fund the benefits accruing from the fund in the future.

Potchefstroom Municipal Retirement Fund

The Potchefstroom Municipal Retirement Fund operates as a defined contribution scheme. The contribution rate paid by the members (8.5%) and Council (22,00%) is sufficient to fund the benefits accruing from the fund in the future.

SALA Pension Fund:

The SALA Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (8.6%) and Council (20,78%) is sufficient to fund the benefits accruing from the fund in the future.

South African Municipal Workers Union National Provident Fund:

The SAMWU Provident Fund operates as a defined contribution scheme. The contribution rate paid by the members (8.0%) and Council (22,00%) is sufficient to fund the benefits accruing from the fund in the future.

43. RELATED PARTY TRANSACTIONS

43.1. Related party relationships:

Councillors - Up to 18 May 2011

<u>Surname</u>	<u>Initials</u>	<u>Ward</u>
Raboto	NP	1
Krüger	R	2
Landsberg	JC	3
Davel	DL	4
Venter	JM	5
Le Roux	AA	6
Wright	LP	7
Hlahaswane	MD	8
Sehurutshe	MW	9
Mojapele	LW	10
Modiakgotla	EPM	11
Mokgethi	RH	12
Tafita	VC	13

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Mampe	TR	14
Theko	MD	15
Mono	TB	16
Taoleng	MA	17
Koloti	NM	18
Masiu	MA	19
Mogoshane	MP	20
Mahlabe	BE	21
Botha	FJ	Proportional
Coetzer	CJ	Proportional
Dassie	MR	Proportional
Dipico	SI	Proportional
Hills	DJ	Proportional
Johnson	CC	Proportional
Joubert	P	Proportional
Kalaote	RPI	Proportional
Krüger	TG	Proportional
Lekgetho	MB	Proportional
Louw	EH	Proportional
Maphetle	AJ	Proportional
Mosenogi	KN	Proportional
Qokela	YM	Proportional
Schoeman	D	Proportional
Segotso	BE	Proportional
Stoltz	HC	Proportional
Tsagae	DNS	Proportional
Tshabadira	PW	Proportional
Van Rensburg	RJ	Proportional
Zwane	TE	Proportional

Councillors - From 18 May 2011

<u>Surname</u>	<u>Initials</u>	<u>Ward</u>
Moloi	KE	1
Froneman	JD	2
Landsberg	JC	3
Makhaza	MJ	4
Venter	JM	5
Phakedi	LVM	6
Combrink	AC	7
Mogoeemang	KEG	8
Mojapele	LW	9
Motingoe	AG	10
Selowane	SM	11
Madiehe-Teme	MJ	12
Johnson	SJ	13
Makoe	MC	14
Pienaar	PJ	15
Mboniswa	NA	16
Qolome	QS	17
Bothoza	JN	18
Maduna	KBT	19
Mohlope	PA	20
Motlhabane	PI	21
Steenkamp	J	22
Kruger	R	23
Moolman	HJ	24
Le Roux	AA	25
Mahlabe	BE	26
Botha	FJ	Proportional
Bothoza	VL	Proportional
Carolus	DL	Proportional
Clarke	VC	Proportional
Coetzee	J	Proportional
Coetzer	CJ	Proportional
Dassie	MR	Proportional
Fransman	NS	Proportional

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Hendricks	CT	Proportional
Hlahaswane	MD	Proportional
Johnson	CC	Proportional
Kham	XD	Proportional
Kruger	TG	Proportional
Legoete	MD	Proportional
Lethoba	MD	Proportional
Mampe	KB	Proportional
Maphetle	AJ	Proportional
Mokgethi	RH	Proportional
Mosiane-Segotso	BE	Proportional
Mosounyana	MP	Proportional
Qokela	YM	Proportional
Schoeman	D	Proportional
Stoltz	HC	Proportional
Taoleng	MA	Proportional
Tsagae	DNS	Proportional
Zerwick	LJ	Proportional

Directors

	<u>Surname</u>	<u>Initials</u>	
Municipal Manager	Tyatya	S	
Deputy Municipal Manager	Moumakwe	BG	
Chief Financial officer	Jansen	MM	
Manager: Infrastructure	Mashele	NA	(Resigned 31 December 2010)
Manager: Economic Development	Masotenyane	RTS	
Manager: Community Services	Labuschagne	PC	
Manager: Public Safety	Molapisi	GO	
Manager: Housing	Mohlomi	LMK	
Manager: Office of the Speaker	Groenewald	BHJ	

43.2 Services rendered to Related Parties

During the year the municipality rendered services to the following related parties that are related to the municipality as indicated:

	Rates Charges R	Service Charges R	Sundry Charges R	Total Balances R
For the Year ended 30 JUNE 2011				
Councillors	71 379	349 121	5 560	426 059
Municipal Manager and Section 57 Personnel	29 680	250 753	50	280 483
Total Services	101 058	599 874	5 610	706 542

The services rendered to Related Parties are charged at approved tariffs that were advertised to the public. No Bad Debts were written off or recognised in respect of amounts owed by Related Parties.

The amounts outstanding are unsecured and will be settled in cash. Consumer Deposits were received from Councillors, the Municipal Manager and Section 57 Personnel not on the salary deduction list. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

43.3 Loans granted to Related Parties

In terms of the MFMA, the municipality may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004.

43.4 Compensation of Related Parties

Compensation of Key Management Personnel and Councillors is set out in Notes 28 and 29 respectively, to the Annual Financial Statements.

TLOKWE CITY COUNCIL GROUP NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Remuneration of the family of key management personnel and councillors that are employed at the municipality:

<u>Directors</u>	<u>Names</u>	<u>Family member</u>	<u>Department</u>	<u>Relationship</u>	<u>Remuneration</u>
Municipal Manager	S Tyatya	n/a	n/a	n/a	n/a
Deputy Municipal Manager	BG Moumakwe	n/a	n/a	n/a	n/a
Chief Financial Officer	MM Jansen	n/a	n/a	n/a	n/a
Manager: Infrastructure	NA Mashele	n/a	n/a	n/a	n/a
Manager: Economic Development	RTS Masitenyane	n/a	n/a	n/a	n/a
Manager: Community Services	PC Labuschagne	n/a	n/a	n/a	n/a
Manager: Public Safety	GO Molapisi	n/a	n/a	n/a	n/a
Manager: Housing	LMK Mohlomi	n/a	n/a	n/a	n/a
Manager: Office of the Speaker	BHJ Groenewald	n/a	n/a	n/a	n/a

<u>Senior Managers</u>	<u>Names</u>	<u>Family member</u>	<u>Department</u>	<u>Relationship</u>	<u>Remuneration</u>
Deputy Manager: Finance	PNR Wilgenbus	n/a	n/a	n/a	n/a
Chief Audit Executive	GHO vd Berg	n/a	n/a	n/a	n/a
Housing	B Robbertse	n/a	n/a	n/a	n/a
Human Resources	N Klaas	n/a	n/a	n/a	n/a
Labour Relations	D Mafolo	n/a	n/a	n/a	n/a
Community Services	T Muswede	n/a	n/a	n/a	n/a
Environmental Management	H Veldman	n/a	n/a	n/a	n/a
Infrastructure	J vd Berg	n/a	n/a	n/a	n/a
Infrastructure	J Coetzee	n/a	n/a	n/a	n/a
Infrastructure	C Stoltz	Ina Stolz	n/a	Wife	n/a
Supply Chain Management	P Marais	n/a	n/a	n/a	n/a

<u>Councillors</u>	<u>Names</u>	<u>Family member</u>	<u>Department</u>	<u>Relationship</u>
Cllr Stoltz	Ina	Christo Stoltz	Infrastructure	Husband

43.5 Purchases from Related Parties

The municipality bought goods from or paid expenses of the following companies, which are considered to be Related Parties:

Company Name	Related Person	Company Capacity	Municipal Capacity	Purchases & Expenses paid	Purchases & Expenses paid
Wright Guest House	L Wright	Owner	Councillor	79 070	105 890
Electro Instruments Mining (Pty) Ltd	FS Botha	70% Share	Councillor	64 490	-
Moorivier Mall Investment Company	DNS Tsagae	Director	Councillor	1 555 469	6 377 290
Moorivier Mall Investment Company	CJ Coetzer	Director	Councillor		
Moorivier Mall Investment Company	RM Dassie	Director	Councillor		
Moorivier Mall Investment Company	A Maphetle	Director	Mayor		
Total Purchases & Expenses paid				1 699 029	6 483 180

The transactions with Wright Guest House and Electro Instruments Mining (Pty) were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's length.

The transactions with Moorivier Mall Investment Company was paid according to the council resolutions.

43.6. Councillors and Officials with arrangements on consumer accounts

Councillors with arrangements

<u>Surname</u>	<u>Initials</u>	<u>Amount</u>	<u>Arrangement amount</u>
Qolome	KS	R 282	R 1 879

TLOKWE CITY COUNCIL GROUP NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Employees with arrangements

<u>Surname</u>	<u>Initials</u>	<u>Total</u>	<u>Arrangement amount</u>
De Koker	H	R 45 569	R 4 109
Dunywa	L	R 468	R 18 700
Grimbeek	D	R 3 546	R 961
Gumede	NJ	R 3 913	R 7 278
Jack	MM	R 1 273	R 6 131
Lebese	SJH	R 589	R 1 455
Madiehe	TI	R 594	R 1 963
Modise	MA	R 3 055	R 1 362
Moeketsane	DD	R -196	R 1 774
Mokgoetsi	RB	R 3 522	R 2 487
Mokotedi	WR	R 380	R 4 122
Motlhaudi	TV	R 1 378	R 16 102
Neba	MD	R 700	R 36 617
Oageng	RD	R -0	R 289
Pheto	SE	R 130	R 10 745
Seakamela	MP	R 252	R 655
Abinaar	MJ	R 20 378	R 8 404
Magaolane	SS	R 569	R 3 111
Maribe	MS	R -323	R 2 421
Mathabele	JP	R 392	R 4 943
Moneymore	S	R 598	R 652
Ramphore	KM	R 230	R 1 652
Sizane	S	R 16 000	R 12 324
Thebehadi	RS	R 391	R 3 012
Thaanyane	CM	R 506	R 3 040
Witbooi	NK	R 459	R 1 465

43.7 Officials leasing council housing

<u>Surname</u>	<u>Initials</u>	<u>Monthly levy</u>	<u>Address</u>
Carsons	R	600.00	Kenneth Mc Arthur
Viljoen	H	1 850.00	Waterworks house
De Jager	CL	600.00	Sewerage house 2
Essop	J	2 000.00	Waterworks house
Gilbert	D	1 600.00	Dam house 1

44. CONTINGENT LIABILITIES

	2011 R	2010 R
44.1 Court Proceedings	73 634	5 703 634
(1) Council is involved in a claim of R3 million in five High Court Matters for damages arising out of alleged sexual harrassment. (Awaiting court decision)	-	3 000 000
(2) Tlokwe City Council vs Sophia Jacobs and Maheppy for frivolous claim instituted against Council for specific performances and damages. (Awaiting court decision)	-	2 500 000
(3) Tlokwe City Council vs E Mosibi for sexual harassment claim. (Settled out of court)	-	70 000
(4) 3 Claims for defamation and/or injuria against an employee of City Council. (Settled out of court)	-	60 000
(5) Claim for non-payment of salary sick leave. (Awaiting court decision)	73 634	73 634
(6) Threatening claim against Council for damages. Possible counter claim by Council pending. This claim against council is because of contracted related issues with Labat. Both parties have stopped legal action for the time being.	n/a	n/a

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

45. CONTINGENT ASSETS			2011	2010
			R	R
45.1 Court Proceedings			100 000	100 000
(1) Tlokwe City Council vs RG Nair i.r.o of a motor loan.			100 000	100 000
(2) Threatening claim against Council for damages. Possible counter claim by Council pending. This counter claim is because of contracted related issues with Labat. Both parties have stopped with legal action for the time being.			n/a	n/a
46. COMMITMENTS FOR EXPENDITURE	TLOKWE LOCAL MUNICIPALITY	GROUP		
	2011	2010	2011	2010
	R	R	R	R
46.1 Capital Commitments				
Commitments in respect of Capital Expenditure:				
- Approved and Contracted for:-	24 278 267	6 643 688	24 278 267	6 643 688
Infrastructure	23 835 145	6 643 688	23 835 145	6 643 688
Community	-	-	-	-
Heritage	-	-	-	-
Other	443 122	-	443 122	-
Housing Development Fund	-	-	-	-
Investment Properties	-	-	-	-
Total Capital Commitments	24 278 267	6 643 688	24 278 267	6 643 688
This expenditure will be financed from:				
External Loans	-	-	-	-
Capital Replacement Reserve	-	-	-	-
Government Grants	12 708 404	6 643 688	12 708 404	6 643 688
District Council Grants	-	-	-	-
Public Contributions	-	-	-	-
Own Resources	11 569 863	-	11 569 863	-
	24 278 267	6 643 688	24 278 267	6 643 688
47. COMPARISON WITH THE BUDGET				
The comparison of the municipality's actual financial performance with that budgeted, is set out in Annexures "E (1) and E (2)".				
48. EVENTS AFTER THE REPORTING DATE				
No events after reporting date.				

TLOKWE CITY COUNCIL GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

49. RECONCILIATION OF BUDGET TO SURPLUS

Operating Budget vs Operating Surplus:

DETAILS	TLOKWE LOCAL MUNICIPALITY		GROUP	
	2011	2010	2011	2010
<i>Variance per Category:</i>				
Budgeted surplus before appropriations	54 797 023	8 969	54 797 023	8 969
Revenue variances	(7 767 120)	109 619 119	(7 767 120)	109 619 119
Expenditure variances:				
Employee Related Costs	(4 125 995)	(13 435 212)	(4 125 995)	(13 435 212)
Remuneration of Councillors	36 964	238 291	36 964	238 291
Depreciation and Amortisation	(3 624 943)	4 951 359	(3 624 943)	4 951 359
Impairment Losses	(8 549 168)	(9 656 504)	(8 549 168)	(9 656 504)
Interest Paid	7 456 824	1 218 353	7 456 824	1 218 353
Bulk Purchases	10 278 854	508 250	10 278 854	508 250
Contracted Services	4 720 677	2 918 618	4 720 677	2 918 618
Grants and Subsidies Paid	(6 013 129)	(3 643 147)	(6 013 129)	(3 643 147)
General Expenses	17 990 948	(15 543 474)	17 990 948	(15 543 474)
Loss with Sale / Transfer of Assets	(24 045 000)	-	(24 045 000)	-
Actual surplus before appropriations	41 155 935	77 184 622	41 155 935	77 184 622

50. COMPARATIVE FIGURES

The comparative figures were restated as a result of the effect of Prior Period Errors (Note 37).

APPENDIX A
TLOKWE CITY COUNCIL
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2011

Details	Original Loan Amount	Interest Rate	Loan Number	Redeemable	Balance at 30 JUNE 2010	Received during the Period	Redeemed/ Written Off during Period	Balance at 30 JUNE 2011
ANNUITY LOANS	R				R	R	R	R
DBSA	No info	14.79%	10909	30/09/2020	4 800 888	-	(204 895)	4 595 993
DBSA	No info	14.98%	10908	30/09/2019	617 497	-	(32 240)	585 257
DBSA	No info	14.98%	13708	31/03/2022	17 269 077		(560 373)	16 708 704
Total Annuity Loans	-				22 687 462	-	(797 508)	21 889 954
TOTAL EXTERNAL LOANS	-				22 687 462	-	(797 508)	21 889 954

APPENDIX A
GROUP
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2011

Details	Original Loan Amount	Interest Rate	Loan Number	Redeemable	Balance at 30 JUNE 2010	Received during the Period	Redeemed/ Written Off during Period	Balance at 30 JUNE 2011
ANNUITY LOANS	R				R	R	R	R
DBSA	No info	14.79%	10909	30/09/2020	4 800 888	-	(204 895)	4 595 993
DBSA	No info	14.98%	10908	30/09/2019	617 497	-	(32 240)	585 257
DBSA	No info	14.98%	13708	31/03/2022	17 269 077		(560 373)	16 708 704
Total Annuity Loans	-				22 687 462	-	(797 508)	21 889 954
TOTAL EXTERNAL LOANS	-				22 687 462	-	(797 508)	21 889 954

ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2011

Description	Historical Cost						Revaluation		Cost / Revaluation				Accumulated Depreciation				Carrying Value	Assets Held for Sale
	Opening Balance	Correction of Prior Year Errors	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Closing Balance	Opening Balance	Transfers	Disposals	Closing Balance	Opening Balance	Correction of Prior Year Errors	Additions	Closing Balance		
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
COMMUNITY																		
Establishment of Parks and Gardens	2 562 373	1 606 499	4 168 872	215 625	-	4 384 496	4 384 496	4 384 496	4 384 496	-	-	4 384 496	(662 449)	(107 100)	(211 487)	(981 036)	3 403 460	-
Sportsfields	10 497 687	2 785 316	13 283 003	362 881	-	13 645 884	13 645 884	13 645 884	13 645 884	-	-	13 645 884	(8 048 227)	(111 631)	(538 918)	(8 698 775)	4 947 109	-
Community Halls	4 271 507	309 166	4 580 672	-	-	4 580 672	4 580 672	4 580 672	4 580 672	-	-	4 580 672	(3 274 822)	(12 367)	(183 227)	(3 470 415)	1 110 257	-
Libraries	6 648 234	317 341	6 965 575	2 792 143	-	9 755 718	9 755 718	9 755 718	9 755 718	-	-	9 755 718	(2 562 844)	(6 916)	(365 742)	(2 934 500)	6 821 217	-
Recreational facilities	13 563 844	1 586 705	15 150 549	-	-	15 150 549	15 150 549	15 150 549	15 150 549	-	-	15 150 549	(10 381 548)	(63 468)	(606 022)	(11 051 039)	4 099 510	-
Clinics	317 454	6 773	324 227	-	-	324 227	324 227	324 227	324 227	-	-	324 227	(261 371)	(271)	(12 969)	(274 611)	49 617	-
Museums and Art Galleries	962 768	274 873	1 237 641	-	-	1 237 641	1 237 641	1 237 641	1 237 641	-	-	1 237 641	(706 030)	(10 995)	(49 506)	(766 530)	471 110	-
Other Community	1 207 873	4 138	1 212 111	-	-	1 212 111	1 212 111	1 212 111	1 212 111	-	-	1 212 111	(1 029 060)	(166)	(59 762)	(1 088 988)	123 124	-
	40 029 840	6 890 610	46 920 650	3 370 649	-	50 291 299	50 291 299	50 291 299	50 291 299	-	-	50 291 299	(26 926 350)	(311 912)	(2 027 633)	(29 265 895)	21 025 404	-
INFRASTRUCTURE																		
Roads, Pavements, Bridges and Storm Water	131 711 001	37 050 656	168 761 657	31 159 460	-	199 921 117	199 921 117	199 921 117	199 921 117	-	-	199 921 117	(68 527 893)	(944 051)	(4 041 274)	(73 513 218)	126 407 899	-
Water Reservoirs and Reticulation	37 637 918	7 676 595	45 314 513	119 206	-	45 433 719	45 433 719	45 433 719	45 433 719	-	-	45 433 719	(15 012 104)	(331 809)	(1 325 568)	(16 669 480)	28 764 239	-
Car Parks, Bus Terminals and Taxi Ranks	956 186	1 031 594	1 987 780	-	-	1 987 780	1 987 780	1 987 780	1 987 780	-	-	1 987 780	(749 012)	(49 926)	(113 672)	(912 611)	1 075 170	-
Electricity Reticulation	151 826 610	18 182 957	170 009 568	33 287 519	-	203 297 087	203 297 087	203 297 087	203 297 087	-	-	203 297 087	(98 134 432)	1 463 440	(2 950 166)	(99 621 158)	103 675 929	-
Sewerage Purification and Reticulation	83 117 700	16 399 890	99 517 590	221 945	-	99 739 535	99 739 535	99 739 535	99 739 535	-	-	99 739 535	(40 990 800)	(390 068)	(43 923 364)	(43 923 364)	55 816 170	-
Street Lighting	2 053 424	745 396	2 798 820	3 043 779	-	5 842 599	5 842 599	5 842 599	5 842 599	-	-	5 842 599	(1 240 852)	(18 635)	(76 312)	(1 335 799)	4 506 801	-
Solid Waste	12 935 726	1 212 285	14 148 011	456 843	-	14 604 854	14 604 854	14 604 854	14 604 854	-	-	14 604 854	(4 311 822)	(287 902)	(600 786)	(5 200 510)	9 404 344	-
Other Infrastructure	12 621 458	3 595 981	16 217 439	-	-	16 217 439	16 217 439	16 217 439	16 217 439	-	-	16 217 439	(8 123 897)	(1 275 840)	(745 071)	(10 144 808)	6 072 631	-
	432 860 023	85 895 355	518 755 378	68 288 752	-	587 044 130	587 044 130	587 044 130	587 044 130	-	-	587 044 130	(237 090 813)	(1 834 791)	(12 395 345)	(251 320 948)	335 723 182	-
HERITAGE																		
Heritage	805 425	32 946	838 371	-	-	838 371	838 371	838 371	838 371	-	-	838 371	-	-	-	-	838 371	-
	805 425	32 946	838 371	-	-	838 371	838 371	838 371	838 371	-	-	838 371	-	-	-	-	838 371	-
HOUSING																		
Housing Schemes	454 218	1 979 936	2 434 154	4 400	-	2 438 554	2 438 554	2 438 554	2 438 554	-	-	2 438 554	(333 093)	(131 996)	(150 531)	(615 620)	1 822 935	-
	454 218	1 979 936	2 434 154	4 400	-	2 438 554	2 438 554	2 438 554	2 438 554	-	-	2 438 554	(333 093)	(131 996)	(150 531)	(615 620)	1 822 935	-
OTHER ASSETS																		
Motor Vehicles	27 197 220	4 843 376	32 040 596	5 651 881	-	37 692 477	37 692 477	37 692 477	37 692 477	-	-	37 692 477	(9 136 849)	3 516 473	(3 349 852)	(8 970 228)	28 722 249	-
Plant and Equipment	25 952 243	3 471 237	29 423 480	689 670	-	30 113 149	30 113 149	30 113 149	30 113 149	-	-	30 113 149	(7 275 912)	(497 200)	(4 923 107)	(12 696 219)	17 416 931	-
Office Equipment	16 018 323	15 206 479	31 224 801	1 246 023	-	32 470 824	32 470 824	32 470 824	32 470 824	-	-	32 470 824	(5 386 833)	945 287	(6 671 208)	(11 112 734)	21 358 071	-
Airports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Measures	4 803 853	1 597 303	6 401 156	1 164 038	-	7 565 194	7 565 194	7 565 194	7 565 194	-	-	7 565 194	(1 466 134)	(192 632)	(1 962 164)	(3 620 929)	3 944 264	-
Other Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	73 971 638	25 118 395	99 090 033	8 751 612	-	107 841 645	107 841 645	107 841 645	107 841 645	-	-	107 841 645	(23 265 728)	3 771 929	(16 906 330)	(36 400 129)	71 441 515	-
LAND & BUILDINGS																		
Land	484 850 300	44 603 300	529 453 600	-	-	529 453 600	529 453 600	529 453 600	529 453 600	75 000	(1 780 000)	527 748 600	-	-	-	-	527 748 600	8 827 000
Buildings	31 583 512	6 849 124	38 432 636	1 189 590	-	39 622 226	39 622 226	39 622 226	39 622 226	-	-	39 622 226	(18 568 177)	(304 268)	(1 781 772)	(20 654 217)	18 968 009	-
	516 433 812	51 452 424	567 886 236	1 189 590	-	569 075 826	569 075 826	569 075 826	569 075 826	75 000	(1 780 000)	567 370 826	(18 568 177)	(304 268)	(1 781 772)	(20 654 217)	546 716 609	8 827 000
Total	1 064 554 957	171 369 865	1 235 924 822	81 605 002	-	1 317 529 825	1 317 529 825	1 294 155 075	1 317 529 825	75 000	(1 780 000)	1 315 824 825	(306 184 160)	1 188 962	(33 261 611)	(338 256 809)	977 568 016	8 827 000

ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2011

	Historical Cost						Revaluation		Cost / Revaluation				Accumulated Depreciation					
Description	Opening Balance	Correction of Prior Year Errors	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Closing Balance	Opening Balance	Transfers	Disposals	Closing Balance	Opening Balance	Correction of Prior Year Errors	Additions	Closing Balance	Carrying Value	Assets Held for Sale
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
COMMUNITY																		
Establishment of Parks and Gardens	2 562 373	1 606 499	4 168 872	215 625	-	4 384 496	4 384 496	4 384 496	4 384 496	-	-	4 384 496	(662 449)	(107 100)	(211 487)	(981 036)	3 403 460	-
Sportsfields	10 497 687	2 785 316	13 283 003	362 881	-	13 645 884	13 645 884	13 645 884	13 645 884	-	-	13 645 884	(8 048 227)	(111 631)	(538 918)	(8 698 775)	4 947 109	-
Community Halls	4 271 507	309 166	4 580 672	-	-	4 580 672	4 580 672	4 580 672	4 580 672	-	-	4 580 672	(3 274 822)	(12 367)	(183 227)	(3 470 415)	1 110 257	-
Libraries	6 646 234	317 341	6 963 575	2 792 143	-	9 755 718	9 755 718	9 755 718	9 755 718	-	-	9 755 718	(2 562 844)	(5 916)	(365 742)	(2 934 502)	6 821 217	-
Recreational facilities	13 563 844	1 586 705	15 150 549	-	-	15 150 549	15 150 549	15 150 549	15 150 549	-	-	15 150 549	(10 381 548)	(63 468)	(606 022)	(11 051 039)	4 099 510	-
Clinics	317 454	6 773	324 227	-	-	324 227	324 227	324 227	324 227	-	-	324 227	(261 371)	(271)	(12 969)	(274 611)	49 617	-
Museums and Art Galleries	962 768	274 873	1 237 641	-	-	1 237 641	1 237 641	1 237 641	1 237 641	-	-	1 237 641	(706 030)	(10 995)	(49 506)	(766 530)	471 110	-
Other Community	1 207 973	4 138	1 212 111	-	-	1 212 111	1 212 111	1 212 111	1 212 111	-	-	1 212 111	(1 029 060)	(166)	(59 762)	(1 088 988)	123 124	-
	40 029 840	6 890 810	46 920 650	3 370 649	-	50 291 299	50 291 299	50 291 299	50 291 299	-	-	50 291 299	(26 926 350)	(311 912)	(2 027 633)	(29 265 895)	21 025 404	-
INFRASTRUCTURE																		
Roads, Pavements, Bridges and Storm Water	131 711 001	37 050 656	168 761 657	31 159 460	-	199 921 117	199 921 117	199 921 117	199 921 117	-	-	199 921 117	(68 527 893)	(944 051)	(4 041 274)	(73 513 218)	126 407 899	-
Water Reservoirs and Reticulation	37 637 918	7 676 595	45 314 513	119 206	-	45 433 719	45 433 719	45 433 719	45 433 719	-	-	45 433 719	(15 012 104)	(331 809)	(1 325 568)	(16 669 480)	28 764 239	-
Car Parks, Bus Terminals and Taxi Ranks	956 186	1 031 594	1 987 780	-	-	1 987 780	1 987 780	1 987 780	1 987 780	-	-	1 987 780	(749 012)	(49 926)	(113 672)	(912 611)	1 075 170	-
Electricity Reticulation	151 826 610	18 182 957	170 009 568	33 287 519	-	203 297 087	203 297 087	203 297 087	203 297 087	-	-	203 297 087	(98 134 432)	1 463 440	(2 950 166)	(99 621 158)	103 675 929	-
Sewerage Purification and Reticulation	83 117 700	16 399 890	99 517 590	221 945	-	99 739 535	99 739 535	99 739 535	99 739 535	-	-	99 739 535	(40 990 800)	(390 068)	(2 542 496)	(43 923 364)	55 816 170	-
Street Lighting	2 053 424	745 396	2 798 820	3 043 779	-	5 842 599	5 842 599	5 842 599	5 842 599	-	-	5 842 599	(1 240 852)	(18 635)	(76 312)	(1 335 799)	4 506 801	-
Solid Waste	12 935 726	1 212 285	14 148 011	456 843	-	14 604 854	14 604 854	14 604 854	14 604 854	-	-	14 604 854	(4 311 822)	(287 902)	(600 786)	(5 200 510)	9 404 344	-
Other Infrastructure	12 621 458	3 595 981	16 217 439	-	-	16 217 439	16 217 439	16 217 439	16 217 439	-	-	16 217 439	(8 123 897)	(1 275 840)	(745 071)	(10 144 808)	6 072 631	-
	432 860 023	85 895 355	518 755 378	68 288 752	-	587 044 130	587 044 130	587 044 130	587 044 130	-	-	587 044 130	(237 090 813)	(1 834 791)	(12 395 345)	(251 320 948)	335 723 182	-
HERITAGE																		
Heritage	805 425	32 946	838 371	-	-	838 371	838 371	838 371	838 371	-	-	838 371	-	-	-	-	838 371	-
	805 425	32 946	838 371	-	-	838 371	838 371	838 371	838 371	-	-	838 371	-	-	-	-	838 371	-
HOUSING																		
Housing Schemes	454 218	1 979 936	2 434 154	4 400	-	2 438 554	2 438 554	2 438 554	2 438 554	-	-	2 438 554	(333 093)	(131 996)	(150 531)	(615 620)	1 822 935	-
	454 218	1 979 936	2 434 154	4 400	-	2 438 554	2 438 554	2 438 554	2 438 554	-	-	2 438 554	(333 093)	(131 996)	(150 531)	(615 620)	1 822 935	-
OTHER ASSETS																		
Motor Vehicles	27 197 220	4 843 376	32 040 596	5 651 881	-	37 692 477	37 692 477	37 692 477	37 692 477	-	-	37 692 477	(9 136 849)	3 516 473	(3 349 852)	(8 970 228)	28 722 249	-
Plant and Equipment	25 952 243	3 471 237	29 423 480	689 670	-	30 113 149	30 113 149	25 952 243	30 113 149	-	-	30 113 149	(7 275 912)	(497 200)	(4 923 107)	(12 696 218)	17 416 931	-
Office Equipment	16 018 323	15 206 479	31 224 801	1 246 023	-	32 470 824	32 470 824	16 018 323	32 470 824	-	-	32 470 824	(5 386 833)	945 267	(6 671 208)	(11 112 754)	21 358 071	-
Airports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Measures	4 803 853	1 597 303	6 401 156	1 164 038	-	7 565 194	7 565 194	4 803 853	7 565 194	-	-	7 565 194	(1 466 134)	(192 632)	(1 962 164)	(3 620 929)	3 944 264	-
Other Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	73 971 638	25 118 395	99 090 033	8 751 612	-	107 841 645	107 841 645	84 466 895	107 841 645	-	-	107 841 645	(23 265 728)	3 771 929	(16 906 330)	(36 400 129)	71 441 515	-
LAND & BUILDINGS																		
Land	484 850 300	44 603 300	529 453 600	-	-	529 453 600	529 453 600	529 453 600	529 453 600	75 000	(1 780 000)	527 748 600	-	-	-	-	527 748 600	8 827 000
Buildings	31 583 512	6 849 124	38 432 636	1 189 590	-	39 622 226	39 622 226	39 622 226	39 622 226	-	-	39 622 226	(18 568 177)	(304 268)	(1 781 772)	(20 654 217)	18 968 009	-
	516 433 812	51 452 424	567 886 236	1 189 590	-	569 075 826	569 075 826	569 075 826	569 075 826	75 000	(1 780 000)	567 370 826	(18 568 177)	(304 268)	(1 781 772)	(20 654 217)	546 716 609	8 827 000
Total	1 064 554 957	171 369 865	1 235 924 822	81 605 002	-	1 317 529 825	1 317 529 825	1 294 155 075	1 317 529 825	75 000	(1 780 000)	1 315 824 825	(306 184 160)	1 188 962	(33 261 611)	(338 256 809)	977 568 016	8 827 000

APPENDIX C
TLOKWE CITY COUNCIL
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT 30 JUNE 2011

	Opening Balance	Additions	Disposals / Transfers	Closing Balance	Accumulated Depreciation				Carrying Value	Budget Additions 2010/2011
					Opening Balance	Additions	Disposals / Transfers	Closing Balance		
Executive and Council	8 906 943	1 036 769	-	9 943 712	992 876	108 763	-	1 101 639	8 842 074	1 071 415
Finance and Administration	37 524 575	1 562 287	-	39 086 861	9 680 116	1 060 389	-	10 740 506	28 346 356	1 656 491
Planning and Development	577 415 516	841 101	(1 780 000)	576 476 617	22 276 533	2 440 239	-	24 716 772	551 759 845	855 791
Health	7 453 328	-	-	7 453 328	5 249 256	575 020	-	5 824 276	1 629 052	-
Community and Social Services	34 273 626	6 351 980	-	40 625 606	8 189 473	903 624	-	9 093 097	31 532 509	6 667 254
Housing	8 262 201	43 327	-	8 305 528	4 041 362	442 703	-	4 484 065	3 821 463	46 150
Public Safety	9 788 541	2 355 823	-	12 144 365	2 347 810	257 186	-	2 604 996	9 539 369	2 569 829
Sport and Recreation	29 142 782	-	-	29 142 782	19 915 686	2 020 900	-	21 936 586	7 206 196	-
Environmental Protection	544 795	-	-	544 795	234 685	25 708	-	260 394	284 401	-
Waste Management	106 751 054	1 163 606	-	107 914 660	45 441 178	4 977 765	-	50 418 943	57 495 717	3 400 000
Road Transport	178 416 905	33 471 767	-	211 888 672	69 747 973	7 519 616	-	77 267 589	134 621 083	52 131 153
Water	56 196 922	121 614	-	56 318 536	15 629 689	1 712 124	-	17 341 813	38 976 723	135 359
Electricity	182 511 596	34 656 727	-	217 168 323	102 437 521	11 217 575	-	113 655 096	103 513 227	43 438 158
TOTAL	1 237 188 784	81 605 002	(1 780 000)	1 317 013 786	306 184 160	33 261 611	-	339 445 771	977 568 015	111 971 600

APPENDIX C
GROUP
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT 30 JUNE 2011

	Opening Balance	Additions	Disposals / Transfers	Closing Balance	Accumulated Depreciation				Carrying Value	Budget Additions 2010/2011
					Opening Balance	Additions	Disposals / Transfers	Closing Balance		
Executive and Council	8 906 943	1 036 769	-	9 943 712	992 876	108 763	-	1 101 639	8 842 074	1 071 415
Finance and Administration	37 524 575	1 562 287	-	39 086 861	9 680 116	1 060 389	-	10 740 506	28 346 356	1 656 491
Planning and Development	577 415 516	841 101	(1 780 000)	576 476 617	22 276 533	2 440 239	-	24 716 772	551 759 845	855 791
Health	7 453 328	-	-	7 453 328	5 249 256	575 020	-	5 824 276	1 629 052	-
Community and Social Services	34 273 626	6 351 980	-	40 625 606	8 189 473	903 624	-	9 093 097	31 532 509	6 667 254
Housing	8 262 201	43 327	-	8 305 528	4 041 362	442 703	-	4 484 065	3 821 463	46 150
Public Safety	9 788 541	2 355 823	-	12 144 365	2 347 810	257 186	-	2 604 996	9 539 369	2 569 829
Sport and Recreation	29 142 782	-	-	29 142 782	19 915 686	2 020 900	-	21 936 586	7 206 196	-
Environmental Protection	544 795	-	-	544 795	234 685	25 708	-	260 394	284 401	-
Waste Management	106 751 054	1 163 606	-	107 914 660	45 441 178	4 977 765	-	50 418 943	57 495 717	3 400 000
Road Transport	178 416 905	33 471 767	-	211 888 672	69 747 973	7 519 616	-	77 267 589	134 621 083	52 131 153
Water	56 196 922	121 614	-	56 318 536	15 629 689	1 712 124	-	17 341 813	38 976 723	135 359
Electricity	182 511 596	34 656 727	-	217 168 323	102 437 521	11 217 575	-	113 655 096	103 513 227	43 438 158
TOTAL	1 237 188 784	81 605 002	(1 780 000)	1 317 013 786	306 184 160	33 261 611	-	339 445 771	977 568 015	111 971 600

APPENDIX D
TLOKWE CITY COUNCIL
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011

2010 Actual Income	2010 Budgeted Income	2010 Actual Expenditure	2010 Budgeted Expenditure	2010 Surplus/ (Deficit)	Description	Vote No	2011 Actual Income	2011 Budgeted Income	2011 Actual Expenditure	2011 Budgeted Expenditure	2011 Surplus/ (Deficit)
156 431	2 651 200	(61 949 350)	(61 223 047)	(61 792 919)	Executive and council		751 053	751 200	(62 905 008)	(63 382 181)	(62 153 955)
-	1 200	(23 140 146)	(24 608 966)	(23 140 146)	GENERAL EXPENSES OF THE COUNCIL	10	-	1 200	(26 365 101)	(26 294 733)	(26 365 101)
-	-	(1 958 996)	(2 113 808)	(1 958 996)	OFFICE OF THE SPEAKER	15	-	-	(2 299 767)	(2 563 662)	(2 299 767)
-	-	(14 949 334)	(12 383 752)	(14 949 334)	EXECUTIVE MAYOR	17	-	-	(11 074 758)	(11 592 297)	(11 074 758)
-	-	(995 428)	(1 043 953)	(995 428)	STRATEGIC MANAGEMENT	18	-	-	(1 052 091)	(887 568)	(1 052 091)
156 431	-	(2 611 681)	(2 551 063)	(2 455 250)	COMMUNICATION	460	1 053	-	(2 549 559)	(2 618 817)	(2 548 506)
-	-	(7 360 913)	(7 400 176)	(7 360 913)	SPEAKER ADMINISTRATION	540	-	-	(8 196 337)	(8 346 858)	(8 196 337)
-	2 650 000	(9 556 963)	(9 655 411)	(9 556 963)	MUNICIPAL MANAGER	550	750 000	750 000	(9 861 487)	(9 482 588)	(9 111 487)
-	-	(1 375 888)	(1 465 918)	(1 375 888)	OFFICE OF THE COUNCIL WHIP	970	-	-	(1 505 909)	(1 595 658)	(1 505 909)
190 524 574	158 033 168	(121 674 050)	(100 242 160)	68 850 524	Finance and Administration		179 510 121	180 594 918	(136 223 343)	(120 134 517)	43 286 779
-	-	(404 579)	(426 700)	(404 579)	DONATIONS	19	-	-	(48 713)	(1 070 000)	(48 713)
-	-	1 204	(183 157)	1 204	OCCUPATIONAL HEALTH & SAFETY	21	-	-	(400 006)	(442 077)	(400 006)
69 107	217 891	(287 409)	(317 891)	(218 302)	HOUSING:SE:SKEMERING(36FLATS)	50	76 521	81 440	(294 093)	(295 308)	(217 572)
54 492	71 847	(106 214)	(117 347)	(51 722)	HOUSING:SE:HARMONIE(26FLATS)	60	56 731	60 905	(112 936)	(122 905)	(56 206)
39 970	55 197	(53 026)	(90 797)	(13 056)	HOUSING:SE:IMMERGROEN(20FLATS)	70	43 610	43 338	(55 311)	(89 238)	(11 701)
174 850	148 485	(232 557)	(270 085)	(57 707)	HOUSING:SE:UITKOMS(69FLATS/1CH	75	181 951	154 649	(177 448)	(186 999)	4 502
-	-	(3 009 153)	(3 229 733)	(3 009 153)	SECURITY	99	-	-	(3 429 864)	(3 762 382)	(3 429 864)
435 024	207 000	(302 555)	(378 957)	132 469	TOWN LANDS	150	580 821	250 000	(328 197)	(328 045)	252 624
73 776 606	77 464 960	(167 632)	(167 632)	73 608 974	ASSESSMENT RATES	170	80 360 659	72 907 339	(167 632)	(167 632)	80 193 027
-	-	(214 529)	(225 000)	(214 529)	GRANTS-IN-AID AND DONATIONS	230	-	-	(229 139)	(225 000)	(229 139)
306 638	183 500	(228 591)	(262 597)	78 047	IKAGENG FLATS	233	311 244	303 829	(371 714)	(491 879)	(60 470)
1 800	-	(3 232 794)	(2 206 282)	(3 230 994)	ASSET MANAGEMENT	250	-	-	(2 451 188)	(2 739 756)	(2 451 188)
661 468	180 000	(3 979 536)	(3 820 034)	(3 318 068)	HUMAN RESOURCES	290	1 365 616	373 000	(5 274 406)	(3 798 864)	(3 908 789)
-	-	(1 585 357)	(1 620 558)	(1 585 357)	EMPLOYMENT EQUITY & SKILLS DEVELOPMENT	316	-	-	(1 956 911)	(2 052 690)	(1 956 911)
-	-	(449 086)	(464 134)	(449 086)	LABOUR RELATIONS UNIT	317	-	-	(511 205)	(521 855)	(511 205)
-	-	(12 110)	(39 176)	(12 110)	RESEARCH:GY,D,A & C	318	-	-	(8 201)	(13 511)	(8 201)
-	-	(2 064 888)	(2 111 881)	(2 064 888)	CORPORATE SERVICES ADMINISTRATION	319	-	-	(2 189 649)	(2 267 704)	(2 189 649)
-	-	(708 741)	(1 122 091)	(708 741)	CLEANING SERVICES	321	-	-	-	-	-
-	-	(1 014 617)	(1 034 897)	(1 014 617)	PRINTING DEPT	545	-	-	(820 301)	(851 048)	(820 301)
112 865 184	78 703 688	(47 847 154)	(48 468 042)	65 018 030	FINANCE	560	95 241 527	105 210 000	(51 450 810)	(45 057 613)	43 790 717
-	-	(2 123 423)	(2 110 278)	(2 123 423)	GOVERNANCE	561	-	-	(2 385 579)	(2 399 776)	(2 385 579)
-	-	(16 618 974)	(1 130 130)	(16 618 974)	BUDGET MANAGEMENT	562	-	-	(19 877 389)	(13 117 924)	(19 877 389)
1 714 409	750 000	(16 885 346)	(7 667 296)	(15 170 937)	FINANCIAL MANAGEMENT	563	1 028 380	1 000 000	(20 629 092)	(14 143 098)	(19 600 712)
363 675	-	(6 722 942)	(6 877 702)	(6 359 266)	REVENUE MANAGEMENT	564	201 172	150 000	(8 018 148)	(8 229 715)	(7 816 976)
-	-	(7 887 067)	(9 096 647)	(7 887 067)	COMPUTER SERVICES	565	-	-	(8 205 810)	(10 631 986)	(8 205 810)
-	-	(3 767 379)	(3 973 183)	(3 767 379)	TELEPHONE EXCHANGE	590	-	-	(3 556 749)	(3 759 101)	(3 556 749)
219	-	(2 117 717)	(2 226 512)	(2 117 497)	VALUATION SERVICES	620	-	-	(2 395 232)	(2 382 792)	(2 395 232)
-	-	-	-	-	PROMOSA: HOUSE ECON SCH 1	940	-	-	-	-	-
189	300	(61)	(360)	129	PROMOSA: E.L.S SCHEME 2(6HOUSE	950	189	180	(5)	(680)	184
1 712	1 500	(529)	(600)	1 183	PROMOSA: E.L.S.SCHEME7(30HOUSE	985	1 712	1 712	(1 544)	(3 212)	168
33 905	30 000	(28 680)	(27 696)	5 225	PROMOSA: SUB ECO SCH 1+2(378H)	990	33 878	33 924	(16 595)	(63 924)	17 283
675	1 000	(166)	(200)	509	PROMOSA: SUB ECO SCH3 (19 H)	1000	804	864	(14)	(1 864)	791
2 078	2 800	(477)	(500)	1 601	PROMOSA: SUB ECO SCH4 (53HOUSE	1010	1 798	1 923	(376)	(4 923)	1 423
1 776	1 000	(747)	(774)	1 029	PROMOSA: SUB ECO SCH 5 (75 HOU	1020	1 776	1 776	(23)	(2 776)	1 753
5 275	6 000	(976)	(984)	4 298	PROMOSA: E.L.S. SCHEME 8 (51H)	1021	5 275	4 520	(3 237)	(10 520)	2 037
15 521	8 000	(15 711)	(15 909)	(190)	PROMOSA: E.L.S.SCH9(10 FLATS)	1022	16 456	15 519	(19 647)	(23 519)	(3 191)
-	-	395 469	(556 398)	395 469	EMPLOYEE ASSISTANCE PROGRAMME	1350	-	-	(836 178)	(874 201)	(836 178)

37 222 303	5 223 972	(17 355 348)	(20 147 620)	19 866 955	Planning and development		24 569 905	29 663 000	(14 167 596)	(20 174 718)	10 402 309
556 443	315 000	(2 325 642)	(3 403 396)	(1 769 199)	LAND DEVELOPMENT AND PROPERTY RIGHTS	165	515 082	400 000	(2 415 319)	(2 481 913)	(1 900 237)
185 424	3 211 000	(5 677 862)	(6 171 748)	(5 492 438)	LAND USE MANAGEMENT	320	351 400	145 000	(4 490 073)	(4 762 050)	(4 138 673)
35 475 288	1 127 542	(5 373 237)	(5 946 429)	30 102 051	CIVIL ENG: DESIGN OFFICE	330	22 498 806	28 400 000	(2 715 168)	(8 453 644)	19 783 638
399 764	265 430	(3 871 128)	(3 868 759)	(3 471 364)	ECONOMIC DEVELOPMENT	465	557 107	255 000	(4 451 043)	(4 349 907)	(3 893 936)
605 383	305 000	(107 478)	(757 288)	497 905	BUILDING CONTROL SECTION	1023	647 509	463 000	(95 993)	(127 204)	551 516
678 823	-	(6 799 335)	(6 904 783)	(6 120 512)	Health		1 731 192	5 265 907	(5 518 779)	(5 848 533)	(3 787 587)
449 272	-	(2 069 515)	(2 056 073)	(1 620 243)	HEALTH ADMINISTRATION	180	-	-	(1 689 073)	(1 695 287)	(1 689 073)
229 552	-	(1 877 796)	(1 888 292)	(1 648 244)	ENVIRONMENTAL HEALTH	186	1 730 950	2 272 682	(1 943 002)	(1 956 944)	(212 052)
-	-	(222 513)	(235 183)	(222 513)	POTCH CLINIC	190	-	2 607 701	(141 444)	(185 263)	(141 444)
-	-	(146 779)	(132 919)	(146 779)	TOP CITY CLINIC	195	-	-	(188 323)	(186 529)	(188 323)
-	-	(284 018)	(326 589)	(284 018)	PEST CONTROL	200	-	385 524	(291 776)	(340 282)	(291 776)
-	-	(864 894)	(874 958)	(864 894)	LESEGO CLINIC	205	-	-	(203 770)	(230 642)	(203 770)
-	-	(664 170)	(728 382)	(664 170)	REST ROOMS	210	242	-	(856 476)	(1 032 153)	(856 234)
-	-	(345 595)	(329 889)	(345 595)	PROMOSA CLINIC	215	-	-	(74 366)	(85 576)	(74 366)
-	-	-	-	-	OCCUPATIONAL HEALTH & SAFETY	217	-	-	-	-	-
-	-	(959)	(958)	(959)	STEVE TSWETE CLINIC	218	-	-	(959)	(960)	(959)
-	-	(480)	(480)	(480)	HOME BASED CARE	219	-	-	(480)	(480)	(480)
-	-	(119 685)	(115 454)	(119 685)	BOIKI TLHAPI CLINIC	220	-	-	(90 927)	(87 713)	(90 927)
-	-	(202 931)	(215 606)	(202 931)	MOHADIN CLINIC	225	-	-	(38 182)	(46 704)	(38 182)
-	-	-	-	-	GATEWAY CLINIC	226	-	-	-	-	-
-	-	-	-	-	EXTENSION 11 CLINIC	227	-	-	-	-	-
-	-	-	-	-	MATLWANG CLINIC	228	-	-	-	-	-
4 702 060	1 170 275	(20 553 584)	(25 605 724)	(15 851 524)	Community and social services		5 861 071	4 358 645	(23 008 676)	(24 045 325)	(17 147 605)
431 627	398 391	(1 885 583)	(1 981 796)	(1 453 956)	CEMETERY	30	330 325	405 000	(2 031 829)	(2 112 808)	(1 701 504)
438 235	370 737	(15 691)	(15 989)	422 544	CEMETERY PROMOSA	35	424 473	370 000	(10 837)	(17 455)	413 636
-	3 933	(7 643)	(7 619)	(7 643)	CEMETERY MOHADIN	40	-	4 000	(21 362)	(20 295)	(21 362)
22 061	26 186	(1 084 835)	(1 148 389)	(1 062 774)	CEMETERY IKAGENG	45	25 693	23 000	(1 102 896)	(1 153 872)	(1 077 203)
-	-	(37 867)	(50 138)	(37 867)	CEMETERY REGIONAL	47	-	-	(70 245)	(72 300)	(70 245)
3 503 097	122 986	(4 745 356)	(4 932 426)	(1 242 259)	LIBRARY	80	4 785 068	3 407 445	(5 562 342)	(5 684 862)	(777 274)
2 923	1 139	(534 104)	(550 222)	(531 181)	LIBRARY KANONNIERSPARK	81	2 769	-	(620 549)	(668 743)	(617 780)
12 538	2 900	(141 178)	(179 307)	(128 641)	LIBRARY MOHADIN	82	10 067	-	(156 934)	(181 138)	(146 866)
10 065	3 447	(468 789)	(480 582)	(458 725)	LIBRARY PROMOSA	85	8 566	-	(523 487)	(529 440)	(514 921)
40 316	20 700	(846 303)	(861 747)	(805 987)	LIBRARY IKAGENG	87	10 992	20 000	(1 192 977)	(1 210 879)	(1 181 986)
-	926	(424 110)	(513 977)	(424 110)	LIBRARY IPELENG	88	-	-	(565 719)	(617 504)	(565 719)
64 113	116 250	(1 357 609)	(1 416 649)	(1 293 496)	CIVIC CENTRE	155	94 685	90 500	(1 452 239)	(1 478 851)	(1 357 553)
87 368	54 700	(732 479)	(781 006)	(645 111)	COMMUNITY CENTRES	160	100 248	54 700	(821 851)	(831 794)	(721 603)
9 018	4 000	(9 559)	(19 266)	(541)	LAPA	235	10 152	4 000	(20 146)	(26 266)	(9 994)
-	-	(1 023 821)	(1 828 993)	(1 023 821)	DAN TLOOME COMPLEX	270	-	-	(1 415 713)	(1 480 937)	(1 415 713)
41 021	280	(3 045 590)	(3 088 159)	(3 004 569)	CULTURE PROMOTION	280	16 459	-	(3 253 421)	(3 302 723)	(3 236 963)
23 178	43 700	(842 674)	(946 671)	(819 497)	CITY HALL, BOARD ROOM AND OFFICES	530	21 774	-20 000	(1 166 496)	(1 198 816)	(1 144 722)
16 500	-	(3 350 390)	(6 802 788)	(3 333 890)	COMMUNITY SERVICES ADMINISTRATION	555	19 800	-	(3 019 633)	(3 456 642)	(2 999 833)
-	-	(3 823 573)	(3 890 406)	(3 823 573)	Housing		-	-	(4 107 594)	(4 213 465)	(4 107 594)
-	-	(3 823 573)	(3 890 406)	(3 823 573)	HOUSING SUPPORT	275	-	-	(4 107 594)	(4 213 465)	(4 107 594)

18 787 443	12 484 100	(34 123 452)	(35 347 193)	(15 336 009) Public Safety		7 837 438	13 924 873	(37 801 567)	(38 058 826)	(29 964 129)
-	-	(4 127 185)	(4 413 578)	(4 127 185) PUBLIC SAFETY ADMINISTRATION	20	-	-	(5 424 150)	(5 417 095)	(5 424 150)
306 497	22 000	(10 499 183)	(11 014 018)	(10 192 686) FIRE BRIGADE	90	36 078	1 213 273	(12 750 608)	(12 196 783)	(12 714 530)
475 184	220 500	(425 062)	(528 153)	50 122 FIRE EMERGENCY TRAINING	95	579 202	425 000	(646 142)	(632 352)	(66 940)
-	-	(477 784)	(589 039)	(477 784) FIRE SAFETY	98	-	-	(90 180)	(99 631)	(90 180)
-	-	(1 692 032)	(1 928 627)	(1 692 032) DISASTER MANAGEMENT	110	-	-	(2 404 743)	(2 379 556)	(2 404 743)
25 013	31 600	(10 830)	(11 104)	14 183 PARKING	390	7 400	31 600	(10 830)	(10 830)	(3 430)
17 980 148	12 210 000	(14 639 540)	(14 163 175)	3 340 608 TRAFFIC DEPARTMENT	610	7 207 193	12 255 000	(13 783 553)	(14 358 782)	(6 576 360)
-	-	(462 355)	(600 232)	(462 355) LEGAL COMPLIANCE OFFICE	612	-	-	(475 938)	(522 765)	(475 938)
600	-	(1 789 480)	(2 099 267)	(1 788 880) TRAFFIC ENGINEERING	615	7 565	-	(2 215 422)	(2 441 032)	(2 207 857)
3 846 742	2 997 388	(53 027 416)	(27 855 930)	(49 180 675) Sport and recreation		3 874 902	3 381 516	(30 734 725)	(31 788 691)	(26 859 823)
1 576	1 863	(272 616)	(273 423)	(271 040) COUNTRY CLUB	100	1 576	-	(285 392)	(285 393)	(283 816)
2 802 017	2 903 466	(4 913 096)	(4 823 218)	(2 111 080) LAKESIDE RECREATION RESORT	120	2 926 273	2 720 156	(5 665 255)	(5 683 922)	(2 738 982)
-	-	(226 538)	(249 807)	(226 538) LAKESIDE SWIMMING POOL	130	-	-	(270 892)	(327 658)	(270 892)
-	-	(169 822)	(200 103)	(169 822) LAKESIDE LANDS	140	-	-	(188 461)	(231 136)	(188 461)
5 023	9 449	(24 909 416)	(124 704)	(24 904 393) AERODROME	236	26 619	10 000	(1 075 221)	(1 068 724)	(1 048 602)
-	-	-	-	- PARKS: PLANTATION	400	-	-	-	-	-
277 387	20 700	(1 661 259)	(1 512 509)	(1 383 872) PARKS RECREATION	405	33 311	20 200	(1 567 424)	(1 562 428)	(1 534 113)
11 375	7 452	(1 046 114)	(988 562)	(1 034 740) ATHLETICS	410	2 832	7 500	(1 144 077)	(1 187 064)	(1 141 245)
-	-	(353 447)	(354 000)	(353 447) NORTH WEST CRICKET	413	-	-	(350 000)	(355 000)	(350 000)
-	-	(12 532)	(19 075)	(12 532) HIKING TRAILS	415	-	-	(10 260)	(10 540)	(10 260)
707	3 416	(3 452 310)	(3 458 431)	(3 451 603) PLANTS	420	934	3 000	(3 498 393)	(3 549 571)	(3 497 459)
-	-	(1 547 738)	(1 638 039)	(1 547 738) OPEN TERRAINS	425	-	-	(1 773 969)	(1 814 461)	(1 773 969)
589 425	28 256	(2 901 036)	(2 446 676)	(2 311 611) SPORTS	430	658 924	28 000	(2 688 205)	(2 720 620)	(2 029 282)
79 578	-	(94 500)	(36 007)	(14 922) MOHADIN SPORT & RECREATION	435	165 271	-	(204 794)	(51 424)	(39 523)
5 057	1 449	(59 459)	(50 843)	(54 402) PROMOSA SPORT & RECREATION	436	1 377	-	(73 801)	(99 253)	(72 424)
11 968	-	(456 565)	(519 998)	(444 597) IKAGENG SPORT & RECREATION	437	4 842	-	(492 879)	(542 543)	(488 037)
-	-	(2 770 209)	(2 903 732)	(2 770 209) STREET TREES	440	-	-	(2 795 118)	(3 038 337)	(2 795 118)
-	-30 000	(2 668 293)	(2 862 101)	(2 668 293) PARKS ADMINISTRATION	450	-	550 000	(2 959 725)	(3 181 651)	(2 959 725)
-	-	(3 651 447)	(3 461 792)	(3 651 447) LAWNMOWING SERVICES	455	-	-	(3 611 086)	(3 778 654)	(3 611 086)
29 469	31 050	(972 763)	(962 795)	(943 294) POTCH SWIMMING POOL	580	31 510	35 000	(1 073 148)	(1 131 299)	(1 041 638)
9 500	518	(346 856)	(395 386)	(337 356) IKAGENG SWIMMING POOL	585	-	-	(456 142)	(534 368)	(456 142)
11 813	12 110	(284 303)	(303 825)	(272 490) MOHADIN SWIMMING POOL	586	10 998	-	(285 609)	(355 897)	(274 611)
11 848	7 659	(257 097)	(270 904)	(245 249) PROMOSA SWIMMING POOL	587	10 436	7 660	(264 873)	(278 748)	(254 437)
-	-	(1 677 854)	(2 153 591)	(1 677 854) Environmental protection		-	-	(1 960 647)	(2 229 859)	(1 960 647)
-	-	(1 677 854)	(2 153 591)	(1 677 854) ENVIRONMENTAL MANAGEMENT	185	-	-	(1 960 647)	(2 229 859)	(1 960 647)

51 177 170	49 599 878	(58 459 691)	(61 960 437)	(7 282 521) Waste management		58 200 961	63 365 559	(62 237 737)	(65 695 541)	(4 036 775)
58 500	800	(6 913 880)	(6 897 678)	(6 855 380) CIVIL ENG: ADMINISTRATION	310	221 750	250 000	(7 623 226)	(8 186 654)	(7 401 476)
-	-	(1 717 768)	(1 682 359)	(1 717 768) CIVIL ENG: STORM WATER DRAINAGE	360	-	-	(1 787 263)	(1 926 855)	(1 787 263)
-	-	(3 988 500)	(4 304 630)	(3 988 500) CLEANSING - STREETS	370	-	-	(4 433 458)	(4 958 152)	(4 433 458)
-	-	(5 338 316)	(5 533 421)	(5 338 316) PAVEMENTS	380	-	-	(5 501 096)	(5 775 701)	(5 501 096)
-7 595	-	(181 066)	(178 800)	(188 662) CIVIL ENG: CLEANSING - SAN AND VACUUM	470	-294	-	(215 075)	(199 050)	(215 369)
17 181 291	16 993 930	(21 560 602)	(24 228 152)	(4 379 311) REFUSE REMOVAL	480	20 889 410	25 330 748	(22 012 427)	(24 290 380)	(1 123 018)
33 722 498	32 392 148	(1 332 994)	(1 392 582)	32 389 505 CIVIL ENG: SEWERAGE ADMINISTRATION	490	36 984 090	37 648 906	(1 101 562)	(1 712 998)	35 882 528
222 475	213 000	(7 706 144)	(7 771 062)	(7 483 668) CIVIL ENG: SEWERAGE-RETICULATION NETW	500	106 006	75 000	(7 716 963)	(7 397 956)	(7 610 958)
-	-	(2 570 350)	(2 538 527)	(2 570 350) MAIN SEWERAGE PUMPING STATION	510	-	-	(2 864 653)	(2 546 331)	(2 864 653)
-	-	(7 150 070)	(7 433 226)	(7 150 070) SEWERAGE PURIFICATION WORKS	520	-	-	(8 982 012)	(8 701 464)	(8 982 012)
-	-	-	-	- MAINTENANCE BUILDINGS	600	-	60 905	-	-	-
10 247 093	5 748 000	(22 349 967)	(22 847 783)	(12 102 874) Road transport		10 428 274	11 422 940	(24 070 111)	(25 584 512)	(13 641 837)
5 528 555	3 130 000	(2 432 240)	(2 542 964)	3 096 315 LICENSING	240	5 290 907	5 734 940	(2 804 752)	(2 861 004)	2 486 154
4 713 443	2 610 000	(3 162 366)	(3 511 557)	1 551 077 TEST GROUNDS	245	5 120 767	2 180 000	(3 807 696)	(3 825 754)	1 313 071
-	-	(4 148 200)	(4 491 587)	(4 148 200) MECHANICAL WORKSHOP	260	-	-	(3 956 789)	(4 923 066)	(3 956 789)
-	-	-	-	- CIVIL ENG:SUSPENSE	315	-	-	-	-	-
5 095	8 000	(12 422 411)	(12 089 857)	(12 417 316) CIVIL ENG: ROAD AND STREET WORKS	340	16 600	3 508 000	(13 342 122)	(13 795 870)	(13 325 522)
-	-	(184 750)	(211 818)	(184 750) CIVIL ENG: RAILWAY POTCH INDUSTRIA	350	-	-	(158 751)	(178 818)	(158 751)
64 102 226	56 422 194	(24 663 984)	(34 351 117)	39 438 242 Water		61 132 693	69 153 278	(29 909 376)	(37 064 782)	31 223 317
-	-	(12 132 910)	(20 413 015)	(12 132 910) WATER PURIFICATION	730	-	-	(15 656 698)	(22 247 152)	(15 656 698)
-	-	(1 205 683)	(1 209 527)	(1 205 683) WATER RETICULATION	735	-	-	(1 367 882)	(1 280 750)	(1 367 882)
311 332	380 000	(11 325 391)	(12 728 575)	(11 014 059) CIVIL ENG: WATER INTERNAL RETICULATION	740	400 238	350 000	(12 884 796)	(13 536 880)	(12 484 558)
63 790 894	56 042 194	-	-	63 790 894 CIVIL ENG: WATER INCOME	770	60 732 455	68 803 278	-	-	60 732 455
297 475 308	274 970 878	(200 380 178)	(193 251 588)	97 095 130 Electricity		362 911 625	342 694 519	(244 177 496)	(255 652 544)	118 734 129
-	-	(4 100 172)	(4 205 945)	(4 100 172) ELECTRICITY: STREET LIGHTING	570	-	-	(5 299 455)	(5 198 012)	(5 299 455)
-	-	(160 413 338)	(152 659 403)	(160 413 338) ELECTRICITY: PURCHASES (URBAN)	660	-	-	(200 601 399)	(205 458 316)	(200 601 399)
-	-	-	-	- ELECTRICITY: SUSPENSE	665	-	-	-	-	-
3 042 711	918 000	(24 391 093)	(24 249 381)	(21 348 382) ELECTRICITY: DISTRIBUTION	670	6 367 788	6 316 000	(26 940 299)	(30 551 248)	(20 572 511)
1 467 236	1 472 915	(6 064 490)	(6 273 484)	(4 597 254) ELECTRICITY: MANAGEMENT	680	1 385 829	1 413 500	(6 271 628)	(7 211 032)	(4 885 798)
-	-	(578 534)	(824 550)	(578 534) ELECTRICITY: READING OF METERS	690	-	-	(429 560)	(1 111 354)	(429 560)
14 383 828	14 232 830	(2 993 696)	(3 115 431)	11 390 132 ELECTRICITY: RURAL	700	16 387 724	17 293 410	(2 943 045)	(4 185 947)	13 444 679
16 896	53 298	(700 534)	(785 072)	(683 638) ELECTRICITY: TRADING SERVICES	710	20 777	12 500	(553 789)	(798 313)	(533 012)
278 564 637	258 293 835	(1 138 322)	(1 138 322)	277 426 315 ELECTRICITY: INCOME (URBAN)	720	338 749 507	317 659 109	(1 138 322)	(1 138 322)	337 611 185
678 920 172	569 301 053	(626 837 781)	(595 781 379)	52 082 391 Sub-Total		716 809 235	724 576 355	(676 822 653)	(693 873 494)	39 986 581
-	-	25 077 444	26 489 295	25 077 444 Less: Inter-departmental Charges		-	-	24 363 683	24 094 162	24 363 683
678 920 172	569 301 053	(601 760 337)	(569 292 084)	77 159 835 Total		716 809 235	724 576 355	(652 458 971)	(669 779 332)	64 350 264

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APPENDIX E(1)

GROUP

ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2011

Description	2010/2011 Actual	2010/2011 Budget	2010/2011 Variance	2010/2011 Variance	Explanation of Significant Variances greater than 10% versus Budget
REVENUE	R	R	R	%	
Property Rates	80 360 659	79 402 332	958 327	1%	
Service Charges	476 112 036	470 747 451	5 364 585	1%	
Rental of Facilities and Equipment	4 820 234	3 917 960	902 274	19%	Additional income from camping sites, townlands and EPWP Projects
Interest Earned - External investments	8 526 311	3 500 000	5 026 311	59%	Additional income invested
Interest Earned - Outstanding debtors	15 542 059	18 000 000	(2 457 941)	-16%	Debt written off indigents
Fines	6 854 447	12 075 000	(5 220 553)	-76%	Cameras were removed from N12 route
Licences and Permits	5 087 302	2 150 000	2 937 302	58%	Increase in vehicle and driver licenses
Income for Agency Services	334 130	250 000	84 130	25%	Additional income from advertising boards
Government Grants and Subsidies	105 086 499	126 921 062	(21 834 563)	-21%	Incorrectly budgeted for Equitable share grant
Other Income	14 085 558	16 907 543	(2 821 985)	-20%	Overestimation of income to be received
Income foregone	-	(9 294 993)	9 294 993	-100%	Income foregone was not utilised
Total Revenue	716 809 235	724 576 355	(7 767 120)	(1.07)	
EXPENDITURE					
Employee Related Costs	215 975 294	211 849 299	4 125 995	2%	
Remuneration of Councillors	11 247 434	11 284 398	(36 964)	0%	
Depreciation	33 323 729	29 698 786	3 624 943	11%	
Impairment Losses	17 549 168	9 000 000	8 549 168	49%	Bad debt written off
Interest Paid	3 383 788	10 840 612	(7 456 824)	-220%	Loan from DBSA was not taken up by council
Bulk Purchases	208 709 326	218 988 180	(10 278 854)	-5%	
Contracted Services	31 487 410	36 208 087	(4 720 677)	-15%	Overestimated on various votes
Grants and Subsidies Paid	31 365 464	25 352 335	6 013 129	19%	Under budgeted (Indigent grant R5,3 million and SETA R1,5 million)
General Expenses	98 566 687	116 557 635	(17 990 948)	-18%	
Sale / Transfer of Assets	24 045 000	-	24 045 000	100%	
Total Expenditure	675 653 299	669 779 332	(18 171 033)		
NET SURPLUS / (DEFICIT) FOR THE YEAR	41 155 935	54 797 023	(13 641 088)		

APPENDIX E(2)
TLOKWE CITY COUNCIL GROUP
ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2011

Description	2010/2011	2010/2011	2010/2011	2010/2011	2010/2011	Explanation of Significant Variances greater than 10% versus Budget
	Actual	Total Additions	Budget	Variance	Variance	
	R	R	R	R	%	
Executive and Council	1 036 769	1 036 769	1 071 415	(34 646)	(3.23)	
Finance and Administration	1 562 287	1 562 287	1 656 491	(94 204)	(5.69)	
Planning and Development	439 806	439 806	442 674	(2 868)	(0.65)	
Health	-	-	-	-	0.00	
Community and Social Services	6 351 980	6 351 980	6 667 254	(315 274)	(4.73)	
Housing	43 327	43 327	46 150	(2 823)	(6.12)	
Public safety	2 355 823	2 355 823	2 569 829	(214 006)	(8.33)	
Sport and Recreation	-	-	-	-	0.00	
Waste management	1 163 606	1 163 606	3 400 000	(2 236 394)	(65.78)	Under expenditure on Ikageng Property sewer network & buildings at waste removal
Road Transport	33 471 767	33 471 767	52 131 153	(18 659 386)	(35.79)	Variance on road & stormwater projects not completed
Water	121 614	121 614	135 359	(13 745)	(10.15)	Under expenditure on zone water meters
Electricity	34 656 727	34 656 727	43 438 158	(8 781 431)	(20.22)	Contract on High mast lighting and integrated electricity network not completed
Other	401 296	401 296	413 117	(11 821)	(2.86)	
Total	81 605 002	81 605 002	111 971 600	(30 366 598)	(27.12)	

APPENDIX E(2)

GROUP

ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2011

Description	2010/2011 Actual	2010/2011 Total Additions	2010/2011 Budget	2010/2011 Variance	2010/2011 Variance	Explanation of Significant Variances greater than 10% versus Budget
	R	R	R	R	%	
Executive and Council	1 036 769	1 036 769	1 071 415	(34 646)	(3.23)	
Finance and Administration	1 562 287	1 562 287	1 656 491	(94 204)	(5.69)	
Planning and Development	439 806	439 806	442 674	(2 868)	(0.65)	
Health	-	-	-	-	0.00	
Community and Social Services	6 351 980	6 351 980	6 667 254	(315 274)	(4.73)	
Housing	43 327	43 327	46 150	(2 823)	(6.12)	
Public safety	2 355 823	2 355 823	2 569 829	(214 006)	(8.33)	
Sport and Recreation	-	-	-	-	0.00	
Waste management	1 163 606	1 163 606	3 400 000	(2 236 394)	(65.78)	Under expenditure on Ikageng Property sewer network & buildings at waste removal
Road Transport	33 471 767	33 471 767	52 131 153	(18 659 386)	(35.79)	Variance on road & stormwater projects not completed
Water	121 614	121 614	135 359	(13 745)	(10.15)	Under expenditure on zone water meters
Electricity	34 656 727	34 656 727	43 438 158	(8 781 431)	(20.22)	Contract on High mast lighting and integrated electricity network not completed
Other	401 296	401 296	413 117	(11 821)	(2.86)	
Total	81 605 002	81 605 002	111 971 600	(30 366 598)	(27.12)	

**APPENDIX F
GROUP
DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

Grants and Subsidies Received

Name of Grant	Name of Organ of State or Municipal Entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies Delayed / Withheld					Reason for Delay / Withholding of Funds	Compliance to Revenue Act (*) See below	Reason for Non-compliance
		TOTAL	Sept	Dec	March	June	TOTAL	Sept	Dec	March	June	June	Sept	Dec	March	June		Yes / No	
Southern District Clean-up Campaign	LDM	-	-	-	-	-	28 380	28 380	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Public Transport Infrastructure	Province	-	-	-	-	-	7 565	7 565	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Library	Province	-	-	-	-	-	2 844 492	2 302 577	376 219	165 697	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Equitable Share	Nat Treasury	69 095 256	28 789 587	23 031 669	13 740 000	3 534 000	28 147 631	3 232 663	6 267 946	7 106 966	11 540 056	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
MIG	Nat Treasury	25 448 400	-	20 043 000	-	5 405 400	22 498 809	1 053 360	2 895 872	9 650 062	8 899 515	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Municipal Finance & Systems Improvement	Nat Treasury	1 750 000	1 750 000	-	-	-	1 750 000	437 500	437 500	437 500	437 500	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Land Use Management	Province	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
LED Constitutional	Province	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
LED Projects Promoting Culture	Province	50 000	-	-	-	50 000	16 083	-	-	-	16 083	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
LED Bussines Initiative	Province	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
LED Tourism Initiative	Province	-	-	-	-	-	30 000	30 000	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
SETA	Nat Treasury	164 225	-	-	132 125	32 100	1 100 632	39 199	459 500	491 815	110 119	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Township History\ Jazz	Province	-	-	-	-	-	147 427	-	147 427	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
NER	Nat Treasury	5 366 000	-	4 046 000	1 302 000	18 000	5 366 000	-	1 154 199	89 531	4 122 270	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Economic and Growth Development	Province	-	-	-	-	-	41 650	-	-	41 650	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
City Branding	Province	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Main Library Extention	Province	350 877	-	350 877	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Lotto - Sports Facilities	Other	-	-	-	-	-	156 708	-	141 042	15 666	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Lotto - Lake Resort	Other	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Lotto - Mohadin Stadium	Other	-	-	-	-	-	165 271	-	165 271	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Lotto - Sarafina Sport Facilities	Other	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Neighbourhood Participation	Other	-	-	-	-	-	-	-	-	-	-	2 750 000	2 750 000	2 750 000	2 750 000	2 750 000	Refer note below	Yes	N/A
Total Grants and Subsidies Received		102 224 758	30 539 587	47 471 546	15 174 125	9 039 500	62 300 650	7 131 244	12 044 976	17 998 886	25 125 543	2 750 000	2 750 000	2 750 000	2 750 000	2 750 000			

Note

The reason why the Council was unable to obtain the money for the Neighbourhood Grant was that a project management consultancy could not be appointed to draw up a business plan to free the grant money

TLOKWE CITY COUNCIL

APPENDIX G

GENERAL STATISTICS AS AT 30 JUNE 2011

<u>GENERAL STATISTICS</u>	<u>2011</u>	<u>2010</u>
<u>Population (Estimate)</u>	250 000	250 000
 <u>Registered voters</u>	 86 741	 86 741
 <u>Valuations:</u>		
<u>Total valuation</u>		
Taxable Property	R 20 531 640 300	R 20 414 797 150
Non Taxable Property	R 1 265 434 960	R 1 234 298 900
Total Property	R 21 797 075 260	R 21 649 096 050
 Residential	 R 12 642 413 800	 R 12 539 154 700
Commercial	R 2 160 537 000	R 2 178 513 000
Valuation Date	1 July 2009	1 July 2009
Number of Premises	44 428	44 428
 <u>Employees:</u>		
Number of employees in service	1 083	1 030
 <u>Electricity:</u>		
Units (kWh) purchased	469 229 260	467 221 332
Purchase cost per kWh	43.17c	34.16c
Units (kWh) sold	443 615 717	428 710 103
Units (kWh) lost with distribution	25 613 543	38 511 229
Percentage lost with distribution	5.46%	8.24%
Cost per unit sold	55.08c	46.1700
Income per unit sold	80.69c	68.45c
 <u>Water:</u>		
kl purchased	14 459 652	13 362 577
Purchased cost per kiloliter	R 2.07	R 1.79
kl sold	12 593 292	12 745 307
kl lost with distribution	1 866 360	617 270
Percentage lost with distribution	12.91%	4.62%
Cost per kl sold	R 2.38	R 1.88
Income per kl sold	R 4.85	R 4.24

TLOKWE CITY COUNCIL

CHAPTER 5



FUNCTIONAL
SERVICE DELIVERY
AND PERFORMANCE
INFORMATION

5 FUNCTIONAL SERVICE DELIVERY REPORTING

EXECUTIVE MAYOR				
ADMINISTRATION				
DETAIL		TOTAL		
Overview:	The Administration must render a support to the Executive Mayor to fulfil all his executive duties.		Budget R	Actual R
Activity:	The function of Administration Executive Mayor within the municipality is administered as follows:	Revenue Expenditure	⁰ 11,592,297	⁰ 10,703,178
	Fulfill all legal and constitutional obligations.			
	Adhere to and implement all Council policies and regulations.			
	Administer all Mayoral Committee functions.			
	To develop and implement Council policies.			
	Monitor and control the annual budget.			
	Programme Objectives			
	The department must act on high priority projects for Council.			
	Lead all stakeholders in the strategic and political direction of Council.			
	Adhere to all Council policies and regulations.			
	Challenges			
	Shortage of key personnel.			
	Budgeting constraints.			
	To align Council equity plan.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Administration Executive Mayor personnel:		3,864,330	3,101,520
	- Managers			
	- Senior Management	5		
	- Middle Management	3		
	- Clerical	4		
	- Other	2		
	Capital		Budget	Actual
	Projects		0	0

	Key Performance Indicators			
	To improve service delivery to the community of Potchefstroom.			
	To alleviate poverty and create more job opportunities.			
	To attract investments from external investors.			
	To give political guidance and leadership.			
GENDER AND YOUTH				
DETAIL		TOTAL		
Overview:	The administration must render support to the Gender and Youth of this community		Budget R	Actual R
Activity:	The function of Gender and Youth within the municipality is administered as follows:	Revenue Expenditure	0 13,511	0 8,149
	Monitor and control budget			
	To adress transversal issues			
	Programme Objectives			
	To provide an effective and efficient service to the different social groups with special consideration for women and youth.			
	Challenges			
	Shortage of staff			
	Budget constraints			
	Lack of resources for community development			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Communication personnel:		5,901	5,901
	- Managers			
	- Senior Management			
	- Middle Management	1		
	- Clerical			
	- Other			
	Capital		Budget	Actual
	Projects		0	0
	Key Performance Indicators			
	To enhance Gender and Youth development			
	To develop leaders for the future			

DONATIONS				
DETAIL		TOTAL		
Overview:	To administer Grants-in Aid and Donations		Budget R	Actual R
Activity:	The function of Grants-in Aid and Donations within the municipality is administered as follows:	Revenue Expenditure	0 225,000	0 223,538
	Monitor and control all grants-in-aid and donations made by Council.			
	Programme Objectives			
	Implement and manage a donation fund.			
	Challenges			
	Limited funds.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Grants-in Aid and Donations personnel:		0	0
	- Managers	N/A		
	- Senior Management	N/A		
	- Middle Management	N/A		
	- Clerical	N/A		
	- Other	N/A		
	Capital		Budget	Actual
	Projects		0	0
	Key Performance Indicators			
	To assist the destitute and needy.			

COMMUNICATION				
DETAIL		TOTAL		
Overview:	All activities of branding, public relations and marketing of the City as well as assisting in all activities of the Mayor.		Budget R	Actual R
Activity:	The function of Communication within the municipality is administered as follows:	Revenue Expenditure	0 2,618,817	1,052 2,575,680
	Write speeches for the Executive Mayor or his representative at official functions.			
	Official photography of Council activities.			
	Compile and design the agenda newsletter on a monthly basis.			
	Media management: statements, press sessions and liaising with the media.			
	Branding at all official activities of Council.			

	Disseminating relevant Council information to both internal and external audiences. - Colleagues and the general public.			
	Programme Objectives			
	Attract direct investments to Potchefstroom by participating in high level negotiations.			
	Create and maintain good relations between Council and other spheres of government as well as local, national and international communities.			
	Market and communicate the council's strategies, objectives and initiatives to local and provincial government and other stakeholders.			
	Challenges			
	Poor despondence of media to events of municipality.			
	Few media houses that could assist in transferring information to the community.			
	Shortage of staff.			
	Lack of resources for community liaison purposes.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Communication personnel:		1,327,021	1,282,896
	- Managers			
	- Senior Management	1		
	- Middle Management	2		
	- Clerical			
	- Other			
	Capital		Budget	Actual
	Projects		8,399	8,353
	Key Performance Indicators			
	Media management.			
	Public relations matters of the municipalities.			
	Internal and external communication management.			
	Marketing the services of the municipality.			
	Marketing the municipality to outside investors.			

OFFICE OF THE SPEAKER				
ADMINISTRATION				
DETAIL		TOTAL		
Overview:	General administrative and other support services		Budget R	Actual R
Activity:	The function of the Administration of the Office of the Speaker is administered as follows	Revenue Expenditure	0 8,113,319	0 7,795,826
	Central archiving, record-keeping services and mailing.			
	Compliance with legislation with regard to the safekeeping of records and other specific items.			
	To provide accurate updated information on legitimate requests received from any other directorate.			
	Provide messenger services relevant to the activities of the Office of the Speaker.			
	Management of the availability of required venues to be utilised by the Speaker i.e. community halls, Council chambers etc.			
	Programme Objectives			
	To provide central archiving, record keeping and mailing services.			
	Distribution of Council agendas.			
	Challenges			
	Loss of information and implementation of policies and by-laws.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Administration of the Office of the Speaker personnel:		7,053,761	7,014,217
	- Managers	1		
	- Senior Management			
	- Middle Management	5		
	- Clerical	7		
	- Other	20		
	Capital		Budget	Actual
	Projects		959,978	944,189
	Key Performance Indicators			
	General administrative and other support services to enhance the main functions of the speaker			
	Committee / meetings Secretariat			
	Legal advisory services			

OFFICE OF THE SPEAKER				
DETAIL		TOTAL		
Overview:	General administrative and other support services relevant to the main functions of the Speaker.		Budget R	Actual R
Activity:	The function of Office of the Speaker within the municipality is administered as follows	Revenue Expenditure	0 2,563,662	0 2,304,241
	Programming and co-ordinating the central diary of Council activities and meeting dates.			
	The preparation of documents and execution of administrative tasks subsequent to meetings.			
	General document processing.			
	To ensure that there is legal compliance to legislation, precedence and authoritative guidelines.			
	Programme Objectives			
	To facilitate and administer council meetings.			
	Training of officials, Portfolio and Ward Committee Members.			
	To provide legal and secretarial support to the speaker.			
	Challenges			
	Training Councillors and Ward Committee Members.			
	Poor Public participation.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Manager of the Speaker personnel:		2,043,426	1,895,683
	- Managers			
	- Senior Management			
	- Middle Management	3		
	- Clerical	4		
	- Other	2		
	Capital		Budget	Actual
	Projects		8,000	0
	Key Performance Indicators			
	Establishment and effective functioning of Ward Committees.			
	Policy development.			
	Community involvement and public participation.			

GENERAL EXPENSES OF COUNCIL				
DETAIL		TOTAL		
Overview:	Councillor orientation and support.		Budget R	Actual R
Activity:	The function of Councillors Remuneration within the municipality is administered as follows	Revenue Expenditure	1,200 24,737,750	0 24,846,898
	To give effect to the establishment notice for Ward Committees.			
	Train, capacitate ward committee members, and other support services.			
	To technically assist Speaker in monitoring performance of Ward Committees.			
	Councillor Orientation and Support.			
	Identify, facilitate and co-ordinate Councillor training requirements.			
	To manage and assist Councillors with regard to Councillor remuneration, benefits, allowances, transport arrangements, cell phone arrangements, etc.			
	To provide technical support to the Disciplinary Committee and Speaker with regard to activities related to the Code of Conduct for Councillors and the Rules of Order.			
	Facilitate interactions between inputs from ward committees and the community to ensure effect is given to public participation processes and response by the executive and administration in.			
	Programme Objectives			
	Administrative support to Councillors and Ward Committee members.			
	Challenges			
	Insufficient office space for Ward Councillors to administer community issues.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Administration of the Office of the Speaker personnel:			
	- Coucillors	42	11,277,471	11,241,367
	- Senior Management	N/A		
	- Middle Management	N/A		
	- Clerical	N/A		
	- Other	N/A		
	Capital		Budget	Actual
	Projects		23,580	23,580
	Key Performance Indicators			
	Code of conduct for Councillors.			
	Councillor training. Ward Committee training.			

SINGLE WHIP				
DETAIL		TOTAL		
Overview:	To administer the political office of the Whip		Budget R	Actual R
Activity:	The function of the Administration of Office of the Whip within the municipality is administered as follows:	Revenue Expenditure	0 1,595,658	0 1,506,488
	Arrange meetings for Councillors			
	Host guests of other political parties			
	Smooth running of the Administration office			
	Community consultation via this office			
	Programme Objectives			
	Assist the political party in it's mandate to the community			
	Challenges			
	Capital funding for the renovation of offices			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Office of the Whip personnel:		1,256,918	1,206,985
	- Managers			
	- Senior Management	1		
	- Middle Management	1		
	- Clerical	1		
	- Other			
	Capital		Budget	Actual
	Projects		20,000	19,653
	Key Performance Indicators			
	To manage and oversee all the Councillors			
	To implement the mandate of the ruling party			

MUNICIPAL MANAGER				
ADMINISTRATION				
DETAIL		TOTAL		
Overview:	The Municipal Manager is required to lead and direct the administration aspects of the Municipality, account to the Council and work towards the fulfilment of the objects of local government as described in the Constitution of the Republic of South Africa.		Budget R	Actual R
Activity:	The function of Municipal Manager is administered as follows	Revenue Expenditure	750,000 9,123,286	750,000 10,050,182
	Managing the interface between management and the political executive by attending regular Mayoral Committee meetings and Council meetings.			
	Regular management meetings with Managers.			
	Monitor and control the budget so that expenditure is in line with requirements and the IDP.			
	Adhere to all Council- and other sectoral binding policies and procedures. Manage Council resources in an efficient and effective manner.			
	Programme Objectives			
	Tlokwe City Council is managed on sound principals to ensure efficient and effective service delivery in an accountable manner.			
	Capacitate the Municipal workforce through skills development and best practices.			
	Challenges			
	Physical infrastructure and housing backlogs.			
	Human Resources development influenced by budget constraints.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Municipal Manager personnel:		3,464,690	3,464,079
	- Managers	2		
	- Senior Management			
	- Middle Management			
	- Clerical	2		
	- Other			
	Capital		Budget	Actual
	Projects		51,458	51,097
	Key Performance Indicators			
	Annual review of the IDP.			
	Monitor and control the budget.			
	Submission of monthly, quarterly and annual financial reports.			
	Performance Management System. Signing of contracts with Senior Managers			

IDP AND PMS				
DETAIL		TOTAL		
Overview:	The Strategic Management section is required to administer all special projects that the Municipality has undertaken.		Budget R	Actual R
Activity:	The function of Strategic Management within the municipality is administered as follows:	Revenue Expenditure	0 670,260	0 837,778
	Co-ordination of the annual review of the Council's IDP.			
	Integration of the IDP with the budget and the performance management system.			
	Development of organisational- and Section 57 KPI's.			
	Development of an enterprise-wide Geographic Information System (GIS) for Council.			
	Promoting co-operative governance by attending District and provincial IDP workshops and forums.			
	Integration of sectoral plans and facilitating the development thereof.			
	Presentations on the IDP to the Council and any of its forums as well as any external stakeholder.			
	Programme Objectives			
	To support integrated and coordinated decision-making in pursuit of sustainable development based on innovation and community and stakeholder participation.			
	Challenges			
	Promotion of effective public participation in the IDP/Budget process.			
	Development of non-financial key performance indicators.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Strategic Management personnel:		810,102	837,778
	- Managers			
	- Senior Management	1		
	- Middle Management			
	- Clerical	1		
	- Other			
	Capital		Budget	Actual
	Projects		0	0
	Key Performance Indicators			
	Annual review of the IDP.			
	Implementation of the Performance Management System.			
	Development of Departmental KPA's linked to the IDP (Departmental Scorecards)			
	Compilation of the Section 46 report.			

VALUATION SERVICES				
DETAIL		TOTAL		
Overview:	Provide a comprehensive tax base management and property tax related valuation as well as an ad - hoc valuation service to Tlokwe City Council.		Budget R	Actual R
Activity:	1.The function of tax base management and property tax valuation is administered as follows:	Revenue Expenditure	0 2,382,792	0 2,379,393
	1.1.Tax base management			
	Continuous administrative updating of Councils Official Valuation Roll and internal hard copy files from monthly deeds office info and other sources			
	1.2. Supplementary valuations.			
	1.2.1.Do inspections, update internal records and do valuation on all fixed property due to new buildings, additions, reasoning, sub-divisions, consolidations etc.			
	1.3. Periodical General valuations.			
	Establishing the prescribed official periodical General Valuation Roll to Council.			
	The strategic objectives of these functions are to:			
	Provide Council with a legally sound and updated tax base to be used as a major income source.			
	2.The function of an ad hoc valuation service within the municipality is administered as follows and includes:			
	2.1.Ad hoc valuation service			
	Doing market research on property related issues and applying these data and norms to ad hoc valuation requests from other departments in Council.			
	2.2. Property rental advisory service			
	Doing market research on property related issues and applying these data and norms to ad hoc valuation requests from outside clients			
	Programme Objectives			
	Provide Council with updated and property related information to make economical sound and objective decisions relating to property , as well to provide a service to clients/ratepayers based on Batho Pele principles.			
	Challenges			
	Implementation of the Property Rates Act			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all City Valuer personnel:		1,948,560	1,934,578
	- Managers			
	- Senior Management	1		
	- Middle Management	1		
	- Clerical	3		
	- Other	2		
	Capital		Budget	Actual
	Projects		0	0
	Key Performance Indicators			
	Adressing complaints from the consumers during the valuation process			

BUDGET AND TREASURY OFFICE				
BUDGET PLANNING & IMPLEMENTATION				
DETAIL		TOTAL		
Overview:	To provide effective and efficient budget planning and contribute a linkage to the integrated development planning of the City Council of Tlokwe.		Budget R	Actual R
Activity:	The function of Budget Planning & Implementation within the municipality is administered as follows:	Revenue Expenditure	0 879,531	0 612,837
	Compiling of annual Municipal Budget (operational & capital) in terms of the MFMA.			
	Managing in-year early warning reporting system.			
	Compiling of the annual adjustment budget according to the MFMA.			
	Programme Objectives			
	To provide Council with a comprehensive annual budget that is linked to the integrated development plan.			
	To monitor the spending patterns according to the service delivery budget implementation plan.			
	Challenges			
	New Budget regulations to be implemented in a short space of time			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Budget Planning & Implementation personnel:		879,531	869,795
	- Managers			
	- Senior Management	1		
	- Middle Management	1		
	- Clerical			
	- Other			
	Capital		Budget	Actual
	Projects		4,000	3,995
	Key Performance Indicators			
	Compiling of annual Municipal Budget (operational & capital) in terms of the MFMA.			
	Compilation of the mid-year budget according to the MFMA.			
	Monitoring and managing the budget on a monthly basis. Monthly reporting to National and Provincial Treasury. Compilation of Annual Report. Reporting on mid-year performance assessment. Compiling of the Service Delivery Budget Implementation Plan.			

FINANCIAL MANAGEMENT				
DETAIL		TOTAL		
Overview:	To provide financial information and management services. Manage all investments: assets and liabilities.		Budget R	Actual R
Activity:	The function of Financial Management within the municipality is administered as follows:	Revenue Expenditure	106,210,000 58,419,959	110,745,988 57,484,933
	Compilation of annual financial statements.			
	Manage the accounting procedures: Income and Expenditure.			
	Servicing all external loans and other financial commitments.			
	Monthly reporting on cash flow and financial management system.			
	Finalisation of tenders through the supply chain management unit.			
	Programme Objectives			
	Provide accounting and financial management services to the Council and National Treasury.			
	Challenges			
	Shortage of experienced and skilled personnel.			
	In house training for the financial staff			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Financial Management personnel:		4,830,107	3,436,186
	- Managers			
	- Senior Management	1		
	- Middle Management	2		
	- Clerical	10		
	- Other	3		
	Capital		Budget	Actual
	Projects		36,980	36,977
	Key Performance Indicators		Target	Achieved
	Compilation of monthly financial statements and reports.			
	Payment of monthly salaries.			
	Payments to creditors.			

REVENUE MANAGEMENT				
DETAIL		TOTAL		
Overview:	To have a transparent financial control and cash management system.		Budget R	Actual R
Activity:	The function of Revenue & Debt Management within the municipality is administered as follows:	Revenue Expenditure	150,000 8,229,715	202,689 8,046,845
	Preparing the municipality's annual revenue budget for basic services.			
	Exercise control over the municipal revenue collection in conjunction with the credit control policy.			
	Managing the monthly suspension of municipal services of defaulters.			
	Manage the process of arrear debtors and legal aspects.			
	Manage the integrated consumer billing system.			
	Finalise the monthly meter reading process prior to billing of consumer accounts.			
	Programme Objectives			
	Implement and manage an indigent grant system.			
	Maximise revenue collection for services rendered.			
	Challenges			
	Shortage of experienced staff. Monitoring of meters(water and electricity)			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Revenue & Debt Management personnel:		7,204,449	7,032,683
	- Managers			
	- Senior Management			
	- Middle Management	4		
	- Clerical	22		
	- Other	23		
	Capital		Budget	Actual
	Projects		1,440,998	1,440,992
	Key Performance Indicators			
	Debt management and customer care			

GOVERNANCE				
DETAIL		TOTAL		
Overview:	Managing financial systems and render financial training to staff. Implement and monitor treasury norms and standards.		Budget R	Actual R
Activity:	The function of Financial Governance within the municipality is administered as follows:	Revenue Expenditure	0 2,399,776	0 2,390,344
	Develop financial and budget norms and standards in consultation with National and Provincial Treasury.			
	Develop the fraud prevention and risk management plan.			
	Submitting monthly, quarterly and yearly reports to National and Provincial Departments.			
	Programme Objectives			
	Develop and implement a fraud prevention and risk management plan for the municipality.			
	Develop financial capacity and training within the department of finance.			
	Challenges			
	To improve individual skills in the department.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Financial Governance personnel:		2,356,141	2,350,124
	- Managers	1		
	- Senior Management	1		
	- Middle Management			
	- Clerical	3		
	- Other	2		
	Capital		Budget	Actual
	Projects		68,946	68,383
	Key Performance Indicators			
	Administration of Audit Committee Meetings.			
	Implementation of reports and resolutions.			
	Attend Council and Senior Management meetings.			
	Annual audit report from AG Office.			
	Managing annual budget and staff.			

ASSET MANAGEMENT				
DETAIL		TOTAL		
Overview:	Managing of all moveable and immovable assets of the City Council.		Budget R	Actual R
Activity:	The function of Asset Management within the municipality is administered as follows:	Revenue Expenditure	0 2,739,756	0 3,745,195
	Manage the assets of the institution according to the MFMA.			
	Manage the investment portfolio.			
	Procure all goods and services.			
	Manage the operations of all bank accounts and cashbook of the municipality.			
	Manage the identification, classification and recording of all assets as well as revaluation of all non-current assets.			
	Manage the insurance portfolio			
	Programme Objectives			
	Manage an asset management system. Procure goods and services for the Stores section			
	Challenges			
	To manage council assets to norms and standards.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Asset Management personnel:		2,525,619	2,477,784
	- Managers			
	- Senior Management	1		
	- Middle Management	1		
	- Clerical	7		
	- Other	3		
	Capital		Budget	Actual
	Projects		105,567	105,567
	Key Performance Indicators			
	Managing of investments and loans.			
	Recording and monitoring of all assets. Updating of the Cash Book Managing Stores and Procurement			

ASSESSMENT RATES				
DETAIL		TOTAL		
Overview:	Property valuation determines the assessment income for the City Council.		Budget R	Actual R
Activity:	The function of Assessment Rates within the municipality is administered as follows:	Revenue Expenditure	72,907,339 167,632	80,350,874 167,632
	All properties are assessed by the valuation department.			
	Programme Objectives			
	Collect income based on assessment rates from the community.			
	Challenges			
	Valuation of properties			
	Municipal borders of Potchefstroom have increased.			
	Lack of experienced personnel.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Asset Management personnel:		0	0
	- Managers	N/A		
	- Senior Management	N/A		
	- Middle Management	N/A		
	- Clerical	N/A		
	- Other	N/A		
	Capital		Budget	Actual
	Projects		0	0
	Key Performance Indicators			
	Levying of assessment rates to all consumers.			

PUBLIC SAFETY				
TESTING STATION				
DETAIL		TOTAL		
Overview:	The Testing Station is managed according to SABS codes.	o	Budget R	Actual R
Activity:	The function of the Testing Station within the municipality is administered as follows:	Revenue Expenditure	2,180,000 3,825,754	5,120,767 3,832,841
	Road Worthiness			
	Learners Licences			
	Drivers Licences			
	Programme Objectives			
	Test motor vehicles for roadworthiness.			
	Test applicants for learner and driver's licenses.			
	Challenges			
	Shortage of experienced personnel.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Testing Station personnel:		2,961,106	2,932,720
	- Managers			
	- Senior Management			
	- Middle Management	3		
	- Clerical	7		
	- Other	7		
	Capital		Budget	Actual
	Projects		1,005,595	1,218,304
	Key Performance Indicators			
	Testing of driver's licences			
	Testing of learner licences			
	Roadworthiness certificates			
	Renewal of driver's licenses			

LICENSING				
DETAIL		TOTAL		
Overview:	Registration and licensing of motor vehicles.	○	Budget R	Actual R
Activity:	The function of the Licensing Section within the municipality is administered as follows:	Revenue Expenditure	5,734,940 2,861,004	5,256,170 2,806,320
	The function of Licensing within the municipality is administered as follows and includes:			
	Registration and licensing of motor vehicles			
	Issue of Business licences			
	Issue of permits for Informal Trading Stands			
	Daily payment to the Department of Transport			
	Programme Objectives			
	Enhance the agency for licensing and clearance certificates.			
	Challenges			
	Inadequate building facilities.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Licensing personnel:		2,251,513	2,207,731
	- Managers			
	- Senior Management			
	- Middle Management	1		
	- Clerical	4		
	- Other	7		
	Capital		Budget	Actual
	Projects		49,976	49,970
	Key Performance Indicators			
	Renewal of motor vehicle licenses as per agreement with Provincial Government			
	Efficient and friendly service delivery.			

TRAFFIC SERVICES				
DETAIL		TOTAL		
Overview:	To promote road safety and enforce traffic laws and regulations.	○	Budget R	Actual R
Activity:	The Traffic Services functions of the municipality are administered as follows:	Revenue Expenditure	12,255,000 14,642,835	7,989,432 14,301,398
	Monthly operations			
	Payments received during TCS monthly roadblocks			
	Abnormal loads - escorts			
	Marathon			
	Effectiveness of traffic fines collection			
	Reservist Programme (Scholar Patrol)			
	Develop a yearly public training and road safety program			
	Conduct arrive alive projects			
	Road blocks			
	Special operations			
	Points duty reservist school programme			
	Robots not functional			
	Animals on road			
	HMV lost freight			
	Court attendance			
	Escorts			
	Programme Objectives			
	Enforce the law and minimize traffic violations.			
	Challenges			
	Shortage of staff			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Traffic Services personnel:		9,688,704	9,541,463
	- Managers			
	- Senior Management	1		
	- Middle Management	5		
	- Clerical	13		
	- Other	20		
	Capital		Budget	Actual
	Projects		26,932	5,474
	Key Performance Indicators			
	Ensure law enforcement function in the greater Potchefstroom district.			

FIRE SERVICES				
DETAIL		TOTAL		
Overview:	To operate an effective fire fighting and other support services relevant to the main function of Fire Services.	○	Budget R	Actual R
Activity:	The Fire Services functions of the municipality are administered as follows:	Revenue Expenditure	1,213,273 12,196,783	36,078 12,786,837
	Operational fire fighting			
	Rescue services			
	Special services			
	Fire safety inspections			
	Fire Reservist programme			
	Programme Objectives			
	Reduce fire losses and provide humanitarian services.			
	Challenges			
	Shortage of key personnel			
	Insufficient rescue equipment			
	Replacement of veldt fire unit			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Fire Services personnel:		10,979,048	11,483,913
	- Managers			
	- Senior Management	1		
	- Middle Management	5		
	- Clerical	26		
	- Other	11		
	Capital		Budget	Actual
	Projects		1,190,469	1,190,469
	Key Performance Indicators			
	To maximise all fire related services to the community.			

DISASTER MANAGEMENT				
DETAIL		TOTAL		
Overview:	Implement and manage an effective disaster management plan.	○	Budget R	Actual R
Activity:	The Disaster Management functions of the municipality are administered as follows:	Revenue Expenditure	0 2,379,556	0 2,416,180
	To manage the control centre for the entire municipality.			
	To render an after hour pay point for traffic offenders.			
	Billing of fire services rendered.			
	Risk management.			
	Co-ordination of all major events in the city.			
	Programme Objectives			
	To manage disasters in the demarcated Municipal area			
	Challenges			
	Budget constraints. Lack of staff Lack of high technology vehicles Lack of high technology equipment for the control centre			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Disaster Management personnel:		1,929,343	2,010,040
	- Managers			
	- Senior Management	1		
	- Middle Management			
	- Clerical	1		
	- Other	6		
	Capital		Budget	Actual
	Projects		0	0
	Key Performance Indicators			
	To manage disaster in the demarcated Municipal area			

TRAFFIC ENGINEERING				
DETAIL		TOTAL		
Overview:	To promote road safety in terms of the Road Traffic Act, manage Integrated transport planning and implementation in terms of the National Land Transitional Transport Act (NLTTA), to ensure compliance to the directives of the Southern African Development Community Road Traffic Signs Manual (RTSM).	○	Budget R	Actual R
Activity:	Traffic signs and street painting teams.	Revenue Expenditure	31,600 2,451,862	14,965 2,361,621
	1. To manage and maintain all road signs and road markings in Potchefstroom			
	2. Transport Committee.			
	Programme Objectives			
	Maintain and improve road signs and road markings.			
	Challenges			
	Vandalism and theft of road signs. Cost of maintenance Condition of roads			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Traffic Engineering and Parking personnel:		1,454,092	1,438,324
	- Managers			
	- Senior Management			
	- Middle Management	1		
	- Clerical	2		
	- Other	11		
	Capital		Budget	Actual
	Projects		0	0
	Key Performance Indicators			
	Ensure operational law enforcement function in the greater Potchefstroom district.			
	Management of Public Private Partnership within the department.			
	Management of Transport Committee (Number of meetings)			
	Approval of the Road Transportation Plan			

SECURITY AND FIRE SAFETY				
DETAIL		TOTAL		
Overview:	Managing security and loss control for the entire organisation.	○	Budget R	Actual R
Activity:	The Security and Fire Safety functions of the municipality are administered as follows:	Revenue Expenditure	0 3,862,013	0 3,907,769
	Management of security by service providers.			
	Management of loss control.			
	Investigate security related matters			
	Administer all applications for gatherings.			
	Control of all firearms in the possession of the City Council.			
	Programme Objectives			
	To manage the private security service providers in order to effectively protect the Council's assets			
	Compile, apply, coordinate and evaluate internal security measures.			
	Minimize losses and damages within the City Council			
	Challenges			
	Compilation and approval of an internal security policy			
	Regulation of car watchers			
	Training of personnel with regard to Loss Control			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Security and Fire Safety personnel:		255,755	258,142
	- Managers			
	- Senior Management			
	- Middle Management	1		
	- Clerical	2		
	- Other			
	Capital		Budget	Actual
	Projects		296,427	0
	Key Performance Indicators			
	Management of private security service providers			

PUBLIC EDUCATION AND TRAINING				
DETAIL		TOTAL		
Overview:	To train personnel on fire services and educate the public through awareness campaigns.	○	Budget R	Actual R
Activity:	The function of the Public Education & Training within the municipality is administered as follows	Revenue Expenditure	425,000 632,352	579,202 702,468
	Fire Safety Awareness / Public education programme			
	Training of professional fire fighters			
	Training of other institutions			
	Programme Objectives			
	Compile an adequate training programme			
	Provide adequate training to other institutions for revenue generation			
	Challenges			
	Shortage of skilled staff. Inadequate accommodation facilities.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Public Education & Training personnel:		7,725	14,003
	- Managers			
	- Senior Management			
	- Middle Management			
	- Clerical	2		
	- Other			
	Capital		Budget	Actual
	Projects		430	430
	Key Performance Indicators			
	Training and Public Education Program.			

ADMINISTRATION				
DETAIL		TOTAL		
Overview:	To manage the provision of sound administrative services and processes in the Department.	○	Budget R	Actual R
Activity:	The function of the Public Safety Administration within the municipality is administered as follows:	Revenue Expenditure	0 5,417,095	0 5,413,128
	Manage the administration of the department, policy development, coordinate activities between support functions and prepare and submit reports to Council.			
	Financial administration regarding Traffic law enforcement			
	Monitor and coordinate human resource function in the Department.			
	Legal compliance to legislation			
	Programme Objectives			
	Monitor and control the department's budget.			
	Implementing all Council policies and regulations.			
	Challenges			
	Budget constraints			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Public Safety Administration personnel:		4,474,898	4,470,678
	- Managers	1		
	- Senior Management			
	- Middle Management	3		
	- Clerical	4		
	- Other	12		
	Capital		Budget	Actual
	Projects		0	0
	Key Performance Indicators			
	Lead, direct and manage staff within the department to meet all its objectives.			

CORPORATE SERVICES				
ADMINISTRATION				
DETAIL		TOTAL		
Overview:	Co-ordinates the capacitation of the municipal workforce through human resource management, skills development, labour relations and employee assistance program		Budget R	Actual R
Activity:	The function of Administration Corporate Services within the municipality is administered as follows:	Revenue Expenditure	0 4,320,394	0 4,163,367
	Implementing council policies and procedures.			
	Monitor and control budget.			
	Lead, direct and manage staff within the departments.			
	Programme Objectives			
	To provide an effective and efficient service in the administration.			
	Challenges			
	The Department is seriously understaffed.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Administration Corporate Services personnel:		1,460,373	1,328,892
	- Managers	1		
	- Senior Management	1		
	- Middle Management	2		
	- Clerical	2		
	- Other			
	Capital		Budget	Actual
	Projects		89,592	89,592
	Key Performance Indicators			
	Manage and guide on the creation of a workforce culture that is responsive to a sound labour relations, gender, youth, disability and women sensitive.			
	Manage the capacity of the workforce through skills development, employment equity, learnership and mentor student.			
	Implementation of all council resolutions.			
	Manage the overall budget of the department.			

HUMAN RESOURCES				
DETAIL		TOTAL		
Overview:	Human Resource Management include recruitment and selection, induction, psychometric testing, orientation and employee assistance programme.		Budget R	Actual R
Activity:	The function of Human Resources within the municipality is administered as follows:	Revenue Expenditure	373,000 3,677,925	1,393,156 5,137,414
	Placing of advertisements internally and externally.			
	Drawing up of job descriptions and job evaluation for posts.			
	Administering of workforce profiles.			
	Efficient management support on emotional and physical issues through counselling.			
	Programme Objectives			
	To empower and capacitate the municipal workforce.			
	To assist employees with counselling on social problems.			
	Challenges			
	To have a motivated and skilled workforce.			
	To develop an EAP network in the organization.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Human Resources personnel:		4,044,703	3,983,571
	- Managers			
	- Senior Management	1		
	- Middle Management	3		
	- Clerical	6		
	- Other	4		
	Capital		Budget	Actual
	Projects		53,053	53,053
	Key Performance Indicators			
	Management of recruitment, selection, placement, induction, promotion, transfers and terminations.			
	Management of an effective Employee Assistance Program to enhance the quality of the workforce.			

COMPUTER SERVICES				
DETAIL		TOTAL		
Overview:	Provide a comprehensive management information system and infrastructure service to the City Council.		Budget R	Actual R
Activity:	The function of Computer Services within the municipality is administered as follows:	Revenue Expenditure	0 -295,592	0 -2,754,794
	Continuous updating and rendering of Water & light Accounts to the public. Continuously updating & Monthly producing of Payslips for personnel. Continuously updating, producing Creditors statements. Continuously process Data for Expenditure, Income and General Ledgers Maintaining and Updating the Wide Area Network of Council. Analysis, Design, developed & maintaining systems for council. Acquisition of new Hardware and software. Maintaining and updating the Hardware and software. To advice Council on all policies related to IT. To administer the Internet according to laid down policies.			
	Programme Objectives			
	Provide Council with updated IT related information to make sound economical decisions. To render effective and efficient Information System services according to the Batho Pele principles of service standards, honesty, respect for human dignity and to ensure a consensus transformation process and value for money.			
	Challenges			
	Upgrading of hard / software			
	Internet usage			
	Infrastructure maintenance			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Computer Services personnel:		1,221,652	1,212,457
	- Managers			
	- Senior Management	1		
	- Middle Management	1		
	- Clerical			
	- Other	1		
	Capital		Budget	Actual
	Projects		248,154	248,145
	Key Performance Indicators			
	Delivering monthly statements, payslips, payment advices, cheques and reports.			
	Completion of daily transactions.			
	Yearly handling of Year-end procedures.			
	Daily backup procedures.			
	Managing the wide area network for internal clients.			
	Managing the internet and intranet for internal clients.			
	Managing the acquisition of hardware, software and maintaining there off.			
	Analysis, design, develop and maintaining of software.			

LEGAL SERVICES				
DETAIL		TOTAL		
Overview:	Legal Services include the Labour Relations Unit and Legal Services		Budget R	Actual R
Activity:	The function of Legal Services within the municipality is administered as follows:	Revenue Expenditure	0 521,855	0 521,509
	Manage and maintain the following services in the Municipality:			
	<ul style="list-style-type: none"> - To give advice to individuals and management regarding disciplinary grievance - Co-ordinate disciplinary hearings - Attend to all disputes and ensure that the municipality comply with the Labour Relations Act and other legislation 			
	Programme Objectives			
	To maintain a workforce that is both disciplined and satisfied in order that service delivery may be provided at an acceptable level.			
	Challenges			
	Insufficient funding			
	Lack of qualified staff			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Auxillary Services personnel:		482,937	481,363
	- Managers			
	- Senior Management			
	- Middle Management	1		
	- Clerical			
	- Other			
	Capital		Budget	Actual
	Projects		22,318	22,318
	Key Performance Indicators			
	Assisting Council in all labour relation issues			

INFRASTRUCTURE				
ADMINISTRATION				
DETAIL		TOTAL		
Overview:	To provide an effective and efficient administration of the department and deliver sound engineering services.		Budget R	Actual R
Activity:	The function of Administration Infrastructure within the municipality is administered as follows:	Revenue Expenditure	310,905 8,186,654	221,750 7,632,535
	Ensure compliance with legislation and policies at local, provincial and national levels.			
	Execute and implement resolutions of Council.			
	Compile and manage the budget of the department.			
	Manage personnel of the department and provide for training and development.			
	Programme Objectives			
	Lead, direct and manage staff and fulfill Batho Pele principles.			
	Monitor operating and capital budget.			
	Maintain infrastructure assets.			
	Adhere to all national regulations and policies.			
	Challenges			
	Manage and maintain infrastructure assets. (Roads, sewer, plants and equipment)			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Administration Infrastructure personnel:		3,876,831	3,368,038
	- Managers	1		
	- Senior Management			
	- Middle Management	1		
	- Clerical	10		
	- Other	7		
	Capital		Budget	Actual
	Projects		3,903,320	3,873,363
	Key Performance Indicators			
	Compliance with national regulations, policies and acts.			
	Efficient administration within the department.			

SEWERAGE				
DETAIL		TOTAL		
Overview:	Includes provision of sewerage services not including infrastructure and water purification, also includes toilet facilities		Budget R	Actual R
Activity:	The sewerage functions of the municipality are administered as follows:	Revenue Expenditure	37,723,906 20,557,799	37,055,250 20,937,245
	Purification of sewers.			
	Blockage removal - private.			
	Main sewer blockage removals.			
	New sewerage connections.			
	Maintenance of sewerage network.			
	Programme Objectives			
	To provide sewerage to all residents at affordable tariffs.			
	To provide alternative sewerage facilities to households where no services exist.			
	To maintain the existing sewerage network.			
	Challenges			
	Maintenance of the sewer treatment plant.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Sewerage personnel:		5,397,208	6,082,892
	- Managers			
	- Senior Management			
	- Middle Management			
	- Clerical	2		
	- Other	47		
	Capital		Budget	Actual
	Projects		3,400,000	637,522
	Key Performance Indicators			
	Optimise the sustainability of sewer services.			
	Manage and maintain the sewer treatment plant.			

STORMWATER				
DETAIL		TOTAL		
Overview:	Construction and maintenance of stormwater network in the district of Potchefstroom.		Budget R	Actual R
Activity:	The function of Stormwater within the municipality is administered as follows:	Revenue Expenditure	0 1,926,855	0 1,848,669
	Provision of new and replacement of broken stormwater pipes.			
	Cleaning of blocked stormwater pipes.			
	Programme Objectives			
	To maintain and manage the stormwater network.			
	Challenges			
	Insufficient funding for capital projects.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Stormwater personnel:		0	0
	- Managers	N/A		
	- Senior Management	N/A		
	- Middle Management	N/A		
	- Clerical	N/A		
	- Other	N/A		
	Capital		Budget	Actual
	Projects		14,579,833	10,647,688
	Key Performance Indicators			
	Manage and maintain the stormwater infrastructure.			

WATER RETICULATION				
DETAIL		TOTAL		
Overview:	The Municipality is responsible for the bulk purchase and distribution of water in the demarcated area of Potchefstroom.		Budget R	Actual R
Activity:	The water purchase and distribution functions of the municipality are administered as follows:	Revenue Expenditure	69,157,278 37,091,048	61,341,422 30,109,507
	Water purchase and distribution is administered within in the municipality.			
	Water connections and testing of water meters regarding water leaks and water flow interruptions.			
	To operate and maintain the water purification plant.			
	To build a distribution network to provide water to all consumers.			
	Programme Objectives			
	To create a culture of water conservation to all consumers.			
	To optimise the rate of sustainable water service delivery and to minimise water losses.			
	To provide each household with free basic water.			
	Challenges			
	Effective maintenance of water purification plant and distribution network to minimise the cost price of water.			
	Insufficient funds to expand distribution network.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Water Reticulation personnel:		7,647,036	8,617,596
	- Managers			
	- Senior Management	1		
	- Middle Management	3		
	- Clerical	5		
	- Other	48		
	Capital		Budget	Actual
	Projects		135,359	124,657
	Key Performance Indicators			
	To purify raw water for human consumption.			
	To provide new water connections.			
	To repair and maintain water meters.			

ROADS				
DETAIL		TOTAL		
Overview:	Construction and maintenance of quality roads for the inhabitants of Potchefstroom.		Budget R	Actual R
Activity:	The road maintenance and construction responsibilities of the municipality are administered as follows:	Revenue Expenditure	31,908,000 22,428,332	5,000,269 16,884,752
	Construction of new tarred, paved and gravel roads.			
	Maintenance of existing tarred. Paved and gravel roads.			
	Programme Objectives			
	To provide and maintain quality roads for the people of Potchefstroom.			
	Challenges			
	Insufficient funds for maintenance of roads.			
	Shortage of personnel and equipment			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Roads personnel:		8,369,847	8,039,901
	- Managers			
	- Senior Management	1		
	- Middle Management	6		
	- Clerical	6		
	- Other	48		
	Capital		Budget	Actual
	Projects		33,648,000	27,247,417
	Key Performance Indicators			
	Maintenance of tarred, paved and gravel roads.			
	Building of new roads.			

STREET LIGHTING				
DETAIL		TOTAL		
Overview:	To provide and maintain a street lighting network in Potchefstroom.		Budget R	Actual R
Activity:	Street lighting responsibilities of the municipality are administered as follows:	Revenue Expenditure	0 5,198,012	0 5,293,454
	Replace lamps and clean diffusers and bowls.			
	Replace circuit breaker and wiring.			
	Repair street light control and feeder cables.			
	Replace redundant luminaries.			
	Programme Objectives			
	To have a well lit city.			
	Challenges			
	Shortage of manpower.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Street Lighting personnel:		81,645	2,556
	- Managers			
	- Senior Management			
	- Middle Management			
	- Clerical			
	- Other	1+j/	C	
	Capital		Budget	Actual
	Projects		4,800,000	3,722,537
	Key Performance Indicators			
	Extension and maintenance of street lights.			

ELECTRICITY DISTRIBUTION				
DETAIL		TOTAL		
Overview:	Plan, construct and maintain an integrated network system which supplies electricity to the consumers in Potchefstroom and rural areas.		Budget R	Actual R
Activity:	The electricity purchase and distribution functions of the municipality are administered as follows:	Revenue Expenditure	342,694,519 250,454,532	357,368,679 239,068,206
	Purchasing of bulk electricity from Eskom.			
	Designing of high and low voltage electrical networks.			
	Perform electrical upgrading and construction.			
	Install new electrical connections.			
	Maintenance of existing electrical infrastructure.			
	Administer and supervise electrical contractors.			
	Installing, testing and maintaining electrical meters and equipment.			
	Record data for electrical measurement on the network.			
	Programme Objectives			
	Manage the planning, construction and maintenance of an integrated electrical system supplying current to the consumers.			
	Implement a demand managing system.			
	Implement alternative energy sources			
	Challenges			
	Insufficient funds to maintain electrical assets.			
	Shortage of staff.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Electricity Distribution personnel:		12,365,143	13,328,905
	- Managers	1		
	- Senior Management	1		
	- Middle Management	2		
	- Clerical	3		
	- Other	67		
	Capital		Budget	Actual
	Projects		8,876,843	3,521,674
	Key Performance Indicators			
	Purchasing of bulk electricity.			
	Implement a demand management system.			
	Manage energy and electricity supply complaints.			
	Install pre-paid meters for indigent and other households.			
	Manage and maintain electrical network system.			

SUPPORT FUNCTIONS				
DETAIL		TOTAL		
Overview:	Management and maintenance of Council's vehicle fleet.		Budget R	Actual R
Activity:	The function of the Mechanical Workshop within the municipality is administered as follows:	Revenue Expenditure	0 4,923,066	0 3,959,156
	Vehicles maintenance and control.			
	Replacement of outdated vehicles.			
	Programme Objectives			
	To achieve and maintain an efficient vehicle fleet.			
	Challenges			
	Insufficient funds for fleet management.			
	Replacement policy to be implemented			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Mechanical Workshop personnel:		3,824,080	3,375,294
	- Managers	1		
	- Senior Management			
	- Middle Management	1		
	- Clerical	1		
	- Other	19		
	Capital		Budget	Actual
	Projects		0	0
	Key Performance Indicators			
	Manage and maintain Council vehicles.			

COMMUNITY SERVICES				
ADMINISTRATION				
DETAIL		TOTAL		
Overview:	To provide an effective and efficient administration of the Department Community Services.		Budget R	Actual R
Activity:	The function of Administration Community Services within the municipality is administered as follows:	Revenue Expenditure	0 8,454,652	30,319 7,970,585
	Monitor and control the budget.			
	Prepare and submit reports.			
	Implement strategic plans.			
	Manage all Human Resource functions within the Department.			
	Programme Objectives			
	Manage operating and capital budget.			
	To provide Council with information to make informed decisions on the Functions of Community Services.			
	Adhere to all council policies and procedures.			
	Lead, direct and manage staff within the department.			
	Challenges			
	Devolution of Environmental Health Services to the District Municipality.			
	Serious shortage of staff.			
	Lack of capital funds for infrastructure			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Administration Social Services personnel:		5,856,593	5,512,811
	- Managers	1		
	- Senior Management			
	- Middle Management	1		
	- Clerical	11		
	- Other	8		
	Capital		Budget	Actual
	Projects		29,500	29,153
	Key Performance Indicators			
	Lead, direct and manage Human Resources.			
	Monitor and control budget.			
	Implement strategic plans and submit reports.			

LIBRARY SERVICES				
DETAIL		TOTAL		
Overview:	To deliver a comprehensive Library and information service to the community of Potchefstroom.		Budget R	Actual R
Activity:	The function of Library Services within the municipality is administered as follows:	Revenue Expenditure	3,427,445 8,828,990	2,627,380 8,581,523
	Rendering a library and information service to the community.			
	Select, purchase supplement and maintain a comprehensive collection of library and reference material			
	Catalogue, classify and prepare new acquisitions for community usage.			
	Supply up to date information on a wide spectrum of subjects through books and technology.			
	Provide and maintain a circulation system to enable users to borrow and return books			
	To provide a photocopy service to all library users			
	To provide internet access service to all library users			
	Provide and maintain Information Technology to the Main and Branch libraries.			
	To present educational and recreational programmes for toddlers, pre-school, school children and students.			
	Programme Objectives			
	To extent current library services to be accessible to all the communities.			
	To select and acquire library material to address the needs of all cultures.			
	To appoint and train personnel to become knowledgeable and informative workers.			
	Challenges			
	Shortage of experienced personnel.			
	Lack of funds for a better mobile service delivery to the elderly of Potchefstroom.			
	Insufficient funds to purchase new library and informational material			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Library Services personnel:		7,337,500	7,246,384
	- Managers			
	- Senior Management	1		
	- Middle Management	1		
	- Clerical	23		
	- Other	18		
	Capital		Budget	Actual
	Projects		2,999,196	2,856,564
	Key Performance Indicators			
	Rendering a library and information service to all the communities in Potchefstroom.			
	Maintain, upgrade and extend library facilities			
	Develop and extend the book collection through replacement and supplementing			

	Rendering and maintaining a circulation service system
	Marketing of Library Services

CEMETERIES				
DETAIL		TOTAL		
Overview:	To provide graves, maintenance and future planning for burial requirements of Potchefstroom community.	○	Budget R	Actual R
Activity:	The function of Cemeteries within the municipality is administered as follows	Revenue Expenditure	802,000 3,376,730	780,491 3,254,778
	Administers bookings with regard to burials, graves selling/reservation and erection of tombstones.			
	Ensure preparation of graves is done according to the list of available bookings.			
	Assisting the public and undertakers with a service regarding funerals according to by-laws and creating a place remembrance for the relatives.			
	Provides horticultural support concerning the landscape and ground maintenance of the facilities.			
	Preserve burial records and statistics information for all cemeteries in Potchefstroom.			
	Programme Objectives			
	Provide a dignified space of the rest for the dead and uphold good memories of those still alive based on Batho Pele principles.			
	Challenges			
	Upgrading and Maintenance of cemeteries in accordance to the needs of the community.			
	Expansion of the cemetery.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Cemeteries personnel:	○	2,465,017	2,407,501
	- Managers			
	- Senior Management			
	- Middle Management			
	- Clerical	3		
	- Other	22		
	Capital		Budget	Actual
	Projects		0	0
	Key Performance Indicators			
	Providing of graves for the community			
	General maintenance of cemeteries			

PARKS AND RECREATION				
DETAIL		TOTAL		
Overview:	Establishment, development and general maintenance of Parks, Gardens, town lands, pavements, street trees and Bird Sanctuary.	○	Budget R	Actual R
Activity:	The function of Parks within the municipality is administered as follows	Revenue Expenditure	823,200 22,922,388	615,065 22,022,596
	Planting of trees according to available resources and programme approved by council.			
	Development and Maintenance of parks including playground equipment and fences.			
	Rendering grass-cutting activities in all council grounds.			
	New installation and maintenance of irrigation system.			
	Attending to complain from public that requires horticultural intervention tasks.			
	Raking of leaves during winter months to ensure neat street and pavements			
	Application of herbicides to control weeds.			
	Performs general cleaning of pavements and street gutters around Potchefstroom.			
	Removal of garden refuses along at various parks, gardens and pavements.			
	Packing of plant decoration for various events and function.			
	Programme Objectives			
	Clean, beautify and green the city			
	Challenges			
	Preparations and cleaning during festivals like Aardklop and Spring festival were conducted smoothly.			
	Shortage of personnel and overtime implication is still causing huge challenge.			
	Lack of Capital funds to replace old vehicle fleet.			
	Successful hosting of District Municipality Arbour week event.			
	WED (World Environmental Day) event successfully hosted.			
	Packing of plant decorations for various events and functions			
	Launch of Adopt a Park concept during World Environmental Day.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Parks personnel:		16,518,513	16,279,562
	- Managers			
	- Senior Management	1		
	- Middle Management	2		
	- Clerical	13		
	- Other	122		
	Capital		Budget	Actual
	Projects		1,267,460	1,108,882
	Key Performance Indicators			
	Maintenance of parks and council gardens.			

	Upkeep of open terrains. (Mayoral cleaning project boosted our normal cleaning programmes.)		
	Planting of trees (Urban greening project)		

SPORTS				
DETAIL		TOTAL		
Overview:	Establishing, upgrading and general maintenance of recreational facilities.	○	Budget R	Actual R
Activity:	The function of Sports within the municipality is administered as follows	Revenue Expenditure	78,160 7,869,267	905,765 7,630,913
	Supplying the public with recreational activities according to their needs.			
	Building, maintenance and upgrading of existing facilities.			
	Handles all sport events bookings from public.			
	Preparation of pitches for matches, meetings and practices.			
	Performs general maintenance of the grounds and infrastructure.			
	Programme Objectives			
	To create an environment favourable for world class sport through facilities.			
	To extend the accessibility of sport facilities to the rest of community.			
	Challenges			
	Insufficient funds for maintenance of all stadiums and other sport facilities			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Sports personnel:		3,946,671	3,715,171
	- Managers			
	- Senior Management			
	- Middle Management	2		
	- Clerical	3		
	- Other	27		
	Capital		Budget	Actual
	Projects		36,660	36,660
	Key Performance Indicators			
	Maintenance of sport facilities.			

RESORTS				
DETAIL		TOTAL		
Overview:	To provide guests with affordable accommodation and to cater for day visitors.		Budget R	Actual R
Activity:	The function of Resorts within the municipality is administered as follows:	Revenue Expenditure	2,720,156 5,915,058	2,921,134 5,868,430
	Promote the resort for caravanning and good value accommodation.			
	Upgrade and maintain the chalets.			
	Separate the facilities for day visitors, chalet visitors and cravenness.			
	Clear the dam of weeds which will provide better fishing and boating facilities.			
	Programme Objectives			
	To develop the resort to satisfy national standards.			
	Challenges			
	Insufficient funds for maintenance.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Resorts personnel:		3,592,217	3,538,801
	- Managers			
	- Senior Management			
	- Middle Management	1		
	- Clerical	1		
	- Other	22		
	Capital		Budget	Actual
	Projects		327,864	327,027
	Key Performance Indicators			
	To achieve the goals within a limited budget.			
	To maintain the resort to satisfy national standards.			
	Sound management of the resort.			

AIRPORT				
DETAIL		TOTAL		
Overview:	Supplying a base from which a flying club, parachute academy, sailplane and flying instructors can operate.	○	Budget R	Actual R
Activity:	The function of Airport within the municipality is administered as follows	Revenue Expenditure	10,000 1,068,724	26,619 1,045,227
	Taking responsibility for the safety of the Airport in compliance with the regulation stipulated by Civil Aviation			
	Providing a safe landing strip for aviation purposes			
	Provides general maintenance of the facilities and horticultural support where necessary			
	Programme Objectives			
	Providing airport facilities that will attract more tourists and enhance business opportunity in Potchefstroom			
	Challenges			
	Lack of capital funds for infrastructure			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Airport personnel:		1,474	1,154
	- Managers			
	- Senior Management			
	- Middle Management			
	- Clerical			
	- Other	1		
	Capital		Budget	Actual
	Projects		0	0
	Key Performance Indicators			
	Upgrading and maintenance of the Airport (furthering of the improvement of the Airport lighting)			

REFUSE AND CLEANING SERVICES: REFUSE REMOVAL				
DETAIL		TOTAL		
Overview:	Rendering of a sustainable domestic refuse removal system in the residential areas of Potchefstroom and includes refuse removal, solid waste disposal, landfill and recycling.	○	Budget R	Actual R
Activity:	The refuse collection functions of the municipality are administered as follows:	Revenue Expenditure	25,330,748 24,290,380	20,889,409 22,189,050
	Refuse Removal render services to all types of consumers			
	Waste is managed at the landfill site and the mini dumping site			
	Programme Objectives			
	To establish and maintain a sustainable Refuse Removal service			
	To implement an equitable and sustainable Waste Management service			
	To reduce waste to landfill site through separation and recycling			
	Challenges			
	Community involvement through continuous education on waste management			
	Removal of domestic refuse at households and other institutions			
	Insufficient funding to replace vehicles			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Refuse Services personnel:		8,955,785	8,928,922
	- Managers			
	- Senior Management			
	- Middle Management	2		
	- Clerical	1		
	- Other	71		
	Capital		Budget	Actual
	Projects		1,445,727	1,065,674
	Key Performance Area			
	Removal of domestic refuse at households with dustbins twice a week			
	Removal of domestic refuses once a week that is collected by volunteers at identified central points where no established refuse removal services exist.			
	Daily Service delivery and removal of refuse at the existing mini dumping site for garden refuse			
	Removal of refuse at industrial and business twice a week.			
	Daily removal of refuses at public institutions and food premises.			
	Feasibility Study and Implementation of a equal Waste Management System in Potchefstroom			

REFUSE AND CLEANING SERVICES: STREET CLEANSING				
DETAIL		TOTAL		
Overview:	To establish clean street refuse containers and clean swept streets in the Central Business Area to ensure a clean and Healthy environment to the community of Potchefstroom.	○	Budget R	Actual R
Activity:	The Cleaning Services functions of the municipality are administered as follows;	Revenue Expenditure	0 4,958,152	0 4,440,108
	Daily (Monday to Saturday) removal of refuse from street litterbins in the C B A			
	Sweeping of streets within the C B A of Potchefstroom daily from Monday to Sunday.			
	These services extend to include the Business Area, but do not take account of the rest of the municipal area or the plots and farms which resides within the jurisdiction of the Health and Environment Department of the City Council and Provincial Government.			
	Programme Objectives			
	Sweeping of streets within the C B A of Potchefstroom daily from Monday to Sunday.			
	Daily (Monday to Saturday) removal of refuse from the 1,950 street litter-bins in the Central business Area of Potchefstroom.			
	Challenges			
	Daily (Monday to Sunday) sweeping of streets within the Central Business Area of Potchefstroom			
	Daily (Monday to Saturday) removal of refuse from street litterbins in the Central business Area of Potchefstroom.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Cleaning Services personnel:		3,763,702	3,751,147
	- Managers			
	- Senior Management			
	- Middle Management			
	- Clerical			
	- Other	38		
	Capital		Budget	Actual
	Projects		0	0
	Key Performance Indicators			
	Daily removal of refuse from street litterbins			
	Sweeping of streets within the Central Business Area			

ENVIRONMENTAL HEALTH				
DETAIL		TOTAL		
Overview:	Implementation of sustainable environmental management systems, to ensure sustainable development principles and approaches to prevent an environment that is harmful to the health and well being of residents.	○	Budget R	Actual R
Activity:	The function of Environmental Health is administered as follows:	Revenue Expenditure	2,658,206 5,559,238	1,731,191 5,073,882
	Prepared and implemented an appropriate Environmental Management System			
	The revision of environmental investigations and reports and doing site visits for developments			
	Compilation of draft environmental regulations and policies for proclamation.			
	Provide environmentally sustainable project (Eco Circle Project and CCP project)			
	Enforce Environmental Impact Assessment Regulations			
	Implementation of Local Agenda 21			
	Programme Objectives			
	Prevent pollution			
	Enhance sustainable development principles and approaches			
	Reduction of global warming			
	The saving of money and natural resources by implementing green building principles			
	Joint ventures with international organisations to save the earth			
	The improvement of the health, income and living conditions of the poor majority			
	Challenges			
	Implement Local Agenda 21 principles/projects and Run Environmental Awareness/Education.			
	Adoption of Environmental policies.			
	Provide poor households with eco-circles.			
	State of the Environment Report.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Environmental Management personnel:		3,775,959	3,614,669
	- Managers			
	- Senior Management	2		
	- Middle Management	2		
	- Clerical	7		
	- Other	15		
	Capital		Budget	Actual
	Projects		500,000	478,418
	Key Performance Indicators			
	Environmental policies			
	Provide poor households with Eco-Circles			
	State of Environmental Report			

	Run Environmental Awareness/Education.		
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COMMUNITY CENTRES				
DETAIL		TOTAL		
Overview:	To Provide venues and hosting of different Council and public or private functions, meetings and events.	o	Budget R	Actual R
Activity:	The function of Community Centres within the municipality is administered as follows:	Revenue Expenditure	125,200 3,509,461	229,789 3,457,973
	Conduct bookings telephonically or in person and refer clients for payment in certain cases arranges for free availability of facilities.			
	Help with preparations of the booked facilities according to the request of the clients.			
	Conduct general maintenance and cleaning activities of the infrastructure and facilities.			
	Transporting tables and chairs between community halls when required.			
	Programme Objectives			
	To provide people friendly service to our community in a less cost effective manner.			
	To extend the accessibility of our facilities to the rest of our community.			
	Promoting our facilities to the benefit of the local economy.			
	Challenges			
	Limited funds available for the upgrading of Community Facilities.			
	Upgrading of the Madiba Banqueting Hall			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Community Centres personnel:		2,259,294	2,233,923
	- Managers			
	- Senior Management			
	- Middle Management			
	- Clerical	3		
	- Other	16		
	Capital		Budget	Actual
	Projects		12,727	12,727
	Key Performance Indicators			
	Promote and extend the accessibility of our facilities to the community.			
	Upgrading of the existing facilities			

HOUSING AND PLANNING				
HOUSING SUPPORT				
DETAIL		TOTAL		
Overview:	This function has to address the housing needs of the community through provision of houses, stands and rental housing.		Budget R	Actual R
Activity:	The function of Housing Support is administered as follows:	Revenue Expenditure	0 4,213,465	0 4,132,811
	Identifying housing projects.			
	Application for approval of projects.			
	Implementation of projects.			
	Allocation of sold stands.			
	Interviews with beneficiaries.			
	Developing title deeds.			
	Submission of title deeds.			
	Implementation of by-laws			
	Programme Objectives			
	Give priority to the provision of housing.			
	Provide support to the community.			
	Consult meaningfully.			
	Check compliance			
	Challenges			
	To expedite housing projects.			
	To expedite the transfer of property in terms of upgrading of Property Right Act			
	To prevent illegal occupation of land and houses			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Administration of Housing personnel:		3,711,554	3,706,812
	- Managers	1		
	- Senior Management			
	- Middle Management	3		
	- Clerical	6		
	- Other	5		
	Capital		Budget	Actual
	Projects		24,535	24,535
	Key Performance Indicators			
	Provision of housing through developer driven individual subsidies.			

LAND DEVELOPMENT AND PROPERTY RIGHTS				
DETAIL		TOTAL		
Overview:	To ensure security of tenure as a community empowerment		Budget R	Actual R
Activity:	The function of Land Development and Property Rights within the municipality is administered as follows:	Revenue Expenditure	400,000 2,481,913	509,627 2,469,642
	To ensure that beneficiaries claim their properties			
	The rightfull people are occupying the properties			
	That properties are not sold illegally			
	Programme Objectives			
	To formalise the previous Municipal properties in the name of the occupants			
	Challenges			
	Beneficiaries are not claiming their properties			
	Deceased estates are not finalised			
	Rightfull owners are not occupying the houses			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Land Use Control personnel:		1,511,459	1,516,450
	- Managers			
	- Senior Management	1		
	- Middle Management	3		
	- Clerical			
	- Other	2		
	Capital		Budget	Actual
	Projects		18,910	18,908
	Key Performance Indicators			
	Issuing of title deeds to owners of properties			

HOUSING FACILITATION				
DETAIL		TOTAL		
Overview:	To maintain council's houses, hostels and old age homes.		Budget R	Actual R
Activity:	The function of Housing Facilitation within the municipality is administered as follows:	Revenue Expenditure	704,579 1,297,747	697,323 1,049,129
	Collection of rent.			
	Maintenance and cleaning of Council property.			
	To adhere to responsibilities as a landlord and to educate tenants.			
	Programme Objectives			
	Maintain council's housing property			
	Challenges			
	Maintenance of the units.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Maintenance of Council Property personnel:		0	0
	- Managers	N/A		
	- Senior Management	N/A		
	- Middle Management	N/A		
	- Clerical	N/A		
	- Other	N/A		
	Capital		Budget	Actual
	Projects		0	0
	Key Performance Indicators			
	Maintaining council's houses, hostels and old age homes			

LAND USE MANAGEMENT				
DETAIL		TOTAL		
Overview:	To ensure that the Potchefstroom municipality is effectively, efficiently and spatially integrated and developed.		Budget R	Actual R
Activity:	The function of Land Use Management within the municipality is administered as follows:	Revenue Expenditure	608,000 4,889,254	1,004,753 4,512,703
	Manage land use and building activities:			
	Processing of land use applications and building plans.			
	Implementing town planning scheme and national building regulations.			
	Provision of Council stands for development: Township establishment.			
	Develop and implement a comprehensive city planning strategy.			
	Develop and implement a comprehensive land use management system.			
	Formulation and implementation of land use policies for development.			
	Market and give advise to developers on potential development.			
	Programme Objectives			
	Management of vacant and developed land.			
	Develop a comprehensive land use policy and development framework.			
	Effective controlling and management of all building activities.			
	Challenges			
	The most important issue is to provide enough stands for housing and other urban facilities concentrating on low cost housing to ensure a proper living environment and maximum freedom of choice.			
	Shortage of staff to manage workload.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Land Use Control personnel:		3,834,958	3,836,889
	- Managers			
	- Senior Management	1		
	- Middle Management	4		
	- Clerical	8		
	- Other	2		
	Capital		Budget	Actual
	Projects		2,705	2,705
	Key Performance Indicators			
	Management of land use in the Greater Potchefstroom Area.			
	Controlling of building activities in the Greater Potchefstroom Area.			

ECONOMIC DEVELOPMENT (Planning and Development)				
DETAIL		TOTAL		
Overview:	Local Economic Development has planned, developed, promoted and regulated the building of a well co-ordinated, diversified and sustainable economy for Potchefstroom.		Budget R	Actual R
Activity:	The function of Economic Planning / Development within the municipality is administered as follows:	Revenue Expenditure	255,000 3,981,738	570,454 4,109,643
	Small, Medium and Micro Enterprises Development (SMME)			
	CBD and Industrial Development			
	Economic Community Based Project Development			
	Tourism Development			
	Programme Objectives			
	Promote Potchefstroom as a tourism destination and a place to host events.			
	Develop and implement a comprehensive and integrated inward investment and trade promotion strategy.			
	Retain and increase existing business investments.			
	Empower small business entrepreneurs.			
	Challenges			
	Limitation of budget: Community Projects.			
Analysis of the Function:	Personnel Cost	Number	Budget	Actual
	Number and cost to employer of all Economic Development personnel:		2,967,625	2,951,924
	- Managers	1		
	- Senior Management			
	- Middle Management	3		
	- Clerical	3		
	- Other	1		
	Capital		Budget	Actual
	Projects		442,674	439,805
	Key Performance Indicators			
	Publish and market LED brochure annually.			
	Business plans, Registrations, Capacity building			
	Support community based projects			
	Tourism capacity building.			

